Post Office Box 9010 Addison, Texas
75001-9010
5300 Belt Line Road
(972) 450-7000 Fax: (972) 450-7043

AGENDA

REGULAR MEETING OF THE CITY COUNCIL

AND / OR

WORK SESSION OF THE CITY COUNCIL

6:00 PM

May 26, 2015

ADDISON TOWN HALL

5300 BELT LINE RD., DALLAS, TX 75254
6:00PM WORK SESSION
7:30PM REGULAR MEETING

WORK SESSION

WS1 Presentation and discussion of special assignments of members of the Council regarding various non-profit entities, Town facilities and projects, and local, regional and Statewide organizations to which the Council members serve as liaisons.

REGULAR MEETING

Pledge of Allegiance

R1	Announcements and Acknowledgements regarding Town and Council Events and Activities Discussion of Events/Meetings
	Consent Agenda.
R2a	Approval of the Minutes for the May 12, 2015 City Council Meeting and Work Session and the May 18, 2015 City Council Special Meeting.
R2b	Approval of an annual service agreement with Illuminations by Greenlee for outdoor lighting maintenance at park, trail and municipal building sites.
R2c	Approval of a resolution authorizing the Town to designate representatives who can transact business with the TexPool local government investment pool.
R2d	Approval of a resolution approving a negotiated settlement between ACSC and Atmos Energy Corp., regarding the company's 2014 and 2015 rate review mechanism (RRM) filings.
R2e	Approval of a resolution that authorizes the Town of Addison to be or remain a member of a 168-member city coalition known as the Atmos Cities Steering Committee (ACSC).
R2f	Approval of a resolution authorizing continued participation with, and funding for, the Steering Committee of Cities Served by Oncor.
R2g	Approval of and authorizing the city manager to enter into the renewal of a Non-public Fuel Farm License agreement Eagle Land and Cattle (EL&C), dba American Flyers, at Addison Airport.

R2h	Approval of and authorizing the city manager to enter into the first amendment to the conventional hangar lease agreement with U.S. Aircraft for a conventional city-owned hangar at Addison Airport.
R2i	Approval of a resolution approving an agreement with Shiroma Southwest for professional services to provide website content, website training to staff and social media content for Addison's social media sources.
R2j	Approval of a resolution adopting the Naming and Recognition Policy for structures, parks and trails.
	Regular Items
R3	**PUBLIC HEARING.** Public hearing regarding the process and criteria for selecting a person to serve as the new City Manager.
R4	Presentation and discussion regarding an update on the search for the new city manager.
R5	Presentation and discussion regarding the Quarterly Update for the Capital Improvement Program and other Town projects.
R6	Discussion regarding the city secretary's position.
R7	Discuss, consider and take action electing the Mayor Pro Tempore and Deputy Mayor Pro Tempore.
R8	Discuss, consider and take action regarding an appointment to the Board of Zoning Adjustment.
R9	Discuss, consider and take action regarding appointment of a Member to the Planning and Zoning Commission.
R10	Discuss, consider and take action regarding additional Addison Funding contributions to the Cotton Belt commuter rail project.

Executive Session

ES1 Closed (executive) session of the Addison City Council pursuant to Section 551.071, Tex. Gov. Code, to seek the advice of its attorney(s) regarding pending litigation: Town of Addison, Texas v. ProAir Developments, L.P., Cause No. DC-13-15164, 14th Judicial District, Dallas County, Texas and anticipated litigation, Hunse v. Town of Addison, et. al, and anticipated litigation regarding use of newsletter email distribution list.

Reconvene from Executive Session

R11 **RECONVENE INTO REGULAR SESSION:** In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to consider action, if any, on matters discussed in Executive Session.

Adjourn Meeting

NOTE: The City Council reserves the right to meet in Executive Session closed to the public at any time in the course of this meeting to discuss matters listed on the agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Chapter 551, including §551.071 (private consultation with the attorney for the City); §551.072 (purchase, exchange, lease or value of real property); §551.074 (personnel or to hear complaints against personnel); §551.076 (deployment, or specific occasions for implementation of security personnel or devices); and §551.087 (economic development negotiations). Any decision held on such matters will be taken or conducted in Open Session following the conclusion of the Executive Session.

Posted:
Chelsea Gonzalez, May 22, 2015, 5:00pm

**THE TOWN OF ADDISON IS ACCESSIBLE TO PERSONS WITH DISABILITIES.
PLEASE CALL (972) 450-7090 AT LEAST
48 HOURS IN ADVANCE IF YOU NEED ASSISTANCE.**

AI-1150 **WS1**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: Council

Council Goals: N/A

AGENDA CAPTION:

Presentation and discussion of special assignments of members of the Council regarding various non-profit entities, Town facilities and projects, and local, regional and Statewide organizations to which the Council members serve as liaisons.

BACKGROUND:

Historically, a series of "liaison" assignments have been divided up between Council Members. These assignments are intended to provide a greater depth of understanding about the technical nature of certain community features, issues, or programs such as the Airport, Economic Development, or the Arbor Foundation.

Provided is the matrix-style listing of each assignment.

RECOMMENDATION:

N/A

Attachments

Council Liaisons 2014-2015

Fiscal Year 2014 - 2015

City Council Liaisons

Council Activities	Council Member(s)
Addison Airport/ATTAC/Cavanaugh	Blake Clemens, Janelle Moore
Addison Arbor Foundation	Bruce Arfsten
Addison Business Association	Todd Meier
Addison CARES	Mary Carpenter
Addison Legacy Foundation	Todd Meier, Blake Clemens
Athletic Club Master Plan	Chris DeFrancisco, Mary Carpenter
Belt Line Infrastructure	All City Council
Community Partners Bureau	Blake Clemens, Bruce Arfsten
DART	Todd Meier
ED/Business Growth & Retention	All City Council
Education	David Heape
Employee Benefits	Chris DeFrancisco, Janelle Moore
Finance Committee	Todd Meier, Blake Clemens, Chris DeFrancisco
Franchise Utilities (Atmos, Oncor, Time Warner)	Blake Clemens
Greater Dallas Regional Chamber	Chris DeFrancisco
Intergovernmental Relations	Janelle Moore
Metrocrest Chamber of Commerce	Blake Clemens
Metroplex Mayors	Todd Meier
NCTCOG	Bruce Arfsten
North Dallas Chamber	Blake Clemens
North Texas Commission	Bruce Arfsten
RTC	Bruce Arfsten
Redevelopment & Repositioning/Retail Initiatives	David Heape
Special Studies	Chris DeFrancisco, Janelle Moore
State and Federal Legislation	Todd Meier, Janelle Moore**
Sustainability/Recycling	Chris DeFrancisco
Technology	David Heape
TEX-21	Bruce Arfsten
TML	All City Council
Vision North Texas	Bruce Arfsten
WaterTower Theatre	Blake Clemens
World Affairs Council	Janelle Moore
Zip Code Project	Janelle Moore

** Fred Hill will also advise this assignment

City Council Liaisons	
Council Member	**Council Activities**
Todd Meier	Addison Business Association Addison Legacy Foundation DART Finance Committee Metroplex Mayors State and Federal Legislation
Bruce Arfsten	Addison Arbor Foundation Community Partners Bureau NCTCOG North Texas Commission RTC Texas 21 Vision North Texas
Blake Clemens	Addison Airport/ATTAC/Cavanaugh Addison Legacy Foundation Belt Line Infrastructure Community Partners Bureau Finance Committee Franchise Utilities (Atmos, Oncor, Time Warner) Metrocrest Chamber of Commerce North Dallas Chamber WaterTower Theatre
Chris DeFrancisco	Employee Benefits Athletic Club Master Plan Finance Committee Greater Dallas Regional Chamber Special Studies Sustainability/Recycling
Mary Carpenter	Addison Cares Athletic Club Master Plan
Janelle Moore	Addison Airport/ATTAC/Cavanaugh Employee Benefits Intergovernmental Relations Special Studies State and Federal Legislation World Affairs Council Zip Code Project
David Heape	Education Redevelopment & Repositioning/Retail Initiatives Technology
All	Belt Line Infrastructure Economic Development/Business Retention and Expansion Texas Municipal League
Staff	National League of Cities

Description of Council Liaison Assignments

Addison Airport/ATTAC/Cavanaugh Flight Museum

Tracks and researches issues related to Addison Airport. Also keeps tabs on the Air Transportation Technical Advisory Committee. This is a committee based out of the North Central Texas Council of Governments which is charged with looking at looking at regional and multi-jurisdictional aviation issues. Addison Airport Director Joel Jenkinson is currently chair of this committee. The Cavanaugh Flight Museum (located at 4572 Claire Chennault) is a non-profit educational organization devoted to promoting the study and cultural heritage of aviation.

Aviation Issues

Tracks broader aviation issues on a regional, state, and federal level. Potentially includes issues related to Love Field, D/FW Airport, and the Federal Aviation Administration.

Addison Arbor Foundation

The Addison Arbor Foundation is a non-profit organization which promotes sustainable natural environments within Addison and enhances public spaces with plantings and public art.

Addison Business Association

The ABA is a membership organization that includes active executives from retail, financial, manufacturing, construction professional, hospitality and the numerous other industries in the area. The ABA has represented the business community and its concerns in Addison since its creation in 1975.

Addison CARES

An ad-hoc committee charged with developing policy recommendations for the naming of municipal facilities, parks, and so forth.

Addison Legacy Foundation

A non-profit entity which was created in order to allow citizens to donate money towards specific ends, such as a dog park or the restoration of a historical fire truck.

Athletic Club Master Plan

To serve on the Master Plan Committee for the Addison Athletic Club with the goal to focus on creating a comfortable environment where fitness, wellness and recreation activities and programs are a priority that can be adapted to the existing building footprint.

Belt Line Infrastructure

Tracks infrastructure improvements along Belt Line Road, including utility undergrounding, bus stops, and the reconstruction/repair of the road itself.

Community Partners Bureau

An ad-hoc committee charged with engaging the various non-profit groups with which the Town contracts for social services or community enrichment.

DART

DART is the mass transit authority for the greater Dallas area. Addison was a charter member of DART when it was created in 1983, and has since allocated a 1% sales tax for the provision of transit services. The Cotton Belt Railway, extending 52 miles from Wylie all the way to Fort Worth, crosses Addison just south of Addison Circle Park and parallels Arapaho Road to the City limits. This rail corridor is under the purview of DART and construction of a cross-town railway on those tracks is currently on their 2030 Transit Plan.

ED/Business Growth and Retention

Tracks various Economic Development initiatives and assists with outreach to both current and prospective businesses.

Education

Tracks education related initiatives and activities at the town's private and public schools. Private schools in Addison include Trinity Christian Academy and Greenhill School. Public schools include Dallas ISD's Bush Elementary, and Carrollton-Farmers Branch ISD's McLaughlin-Strickland and Janie Stark Elementary Schools.

Employee Benefits

Tracks issues related to health care benefits enjoyed by Town employees. Also tracks issues related to the Texas Municipal Retirement System. TMRS is the designated retirement program for Town employees. Established in 1947, it is a hybrid "cash-balance defined benefit" retirement plan, rather than the traditional defined benefit plan, which is participated in by more than 850 Texas cities.

Finance Committee

A special subcommittee of Council members tasked with review of Town financial policy.

Franchise Utilities (Atmos, Oncor)

Tracks issues related to certain Franchised Utilities, including Atmos Energy (natural gas) and Oncor (electricity).

Greater Dallas Regional Chamber

The Dallas Regional Chamber's goal is to ensure the prosperity of Dallas area businesses. They list as their goals 1) Leading Economic Development; 2) Driving Improvements in Public Education; 3) Influencing Public Policy; 4) Catalyzing and advocating for regional partnership; and 5) Providing value to their members. The organization publishes the Dallas Economic Development Guide, a thorough, comprehensive, and easy-to-read guide on the regional economy.

Intergovernmental Relations

Tracks and reports on issues, developments, and opportunities that are being addressed by two or more government jurisdictions. Included in this assignment is advising regarding shared service opportunities, such as the recent Joint Dispatch agreement.

Metrocrest Chamber of Commerce

A chamber of commerce focusing on the four Metrocrest Cities (Addison, Carrollton, Coppell, and Farmers Branch). The Metrocrest Chamber's offices are located in Suite 430 of the Town's Visit Addison building.

Metroplex Mayors

A gathering of D/FW mayors which takes place at 7:30 am on the second Tuesday of the month at the Marriott Quorum. Guest speakers are brought in from various sectors to discuss issues of relevance to local jurisdictions. The Town handles administrative and treasury functions for this program.

NCTCOG

The North Central Texas Council of Governments is a voluntary association of, by, and for local governments, established to assist them in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development.

North Dallas Chamber

A chamber of commerce which focuses specifically on the North Dallas Area. The NDC fields several committees (Aviation, Education, Governmental Affairs, Power and Energy, and Transportation), each of which focuses on a specific area of attention.

North Texas Commission

A non-profit, membership-supported organization whose stated goal is to unify the North Texas region to maximize the visibility of the area as an excellent place to live and do business. The NTC was created in the 1970s as a means of leveraging the brand new D/FW Airport in promoting the North Texas as a business destination. Today, they have a particular focus on public-private partnerships and innovative approaches to regional problems.

RTC

The Regional Transportation Council is an independent transportation policy body operated administratively by NCTCOG personnel. The Dallas Metropolitan Planning Organization (or MPO) is a federally mandated organization through which funding for transportation projects and programs are channeled. It is comprised of 44 member representatives from local government and governmental transportation authorities.

Redevelopment & Repositioning / Retail Initiatives

Tracks issues related to redevelopment of Town real estate, businesses, and community assets. Also examines various opportunities to enhance retail offerings in Addison to both residents and businesses.

Special Studies

These are ad-hoc committees comprised of council members, staff, residents, and local business people, charged with the development review of key areas of the town. The goal is to engage all stakeholders in a given area to promote and realize its potential. Ideally, the end result would be the area attaining an innovative, highest, and best use.

State and Federal Legislation

Tracks legislation affecting local governments at the state and federal level. This assignment is currently performed by Town Staff.

Sustainability / Recycling

Tracks and researches sustainability issues affecting Addison, the most notable of which is multifamily recycling.

Technology

Tracks and researches technology components affecting Addison, the most notable of which are the Town's website.

TEX-21

An organization committed to finding comprehensive solutions to transportation challenges. The organization's title is somewhat misleading: TEX-21 is an extended acronym for "Transportation Excellence for the 21st century." It does not just look at these issues from a Texas perspective. Rather, it has a national and even international focus, such as how increased shipping traffic through the Panama Canal leads to a greater volume of freight traveling along Texas rail corridors.

TML

A membership organization which serves the needs and advocates the interests of cities and elected officials. TML puts on an annual conference, usually in the fall, at which elected officials from around the state attend educational seminars and networking events. TML also houses the Intergovernmental Risk Pool (IRP) which provides workers compensation, liability, and property coverage for local governments in Texas.

Vision North Texas

Vision North Texas is a public-private partnership headed by the Urban Land Institute, the North Central Texas Council of Governments, and the University of Texas at Arlington. Its mission is to increase public awareness about important regional land use issues that affect mobility, air quality, water supply, and other economic and environmental resources.

WaterTower Theatre

A non-profit professional theatre company, housed in a theater venue of the same name, directly adjacent to the Addison Conference Centre. Founded in 1996, it produces five main stage show each

season in a flexible, “black box” style performing arts space. The Town owns the facility itself, and has been a principal sponsor (with Hotel Fund dollars) of the company since its inception in 1996.

World Affairs Council

A non-profit, non-partisan organization aimed at promoting awareness of international business, politics, culture, and foreign policy. Addison currently engages with the World Affairs Council on our Spotlight Series, which is a year-long program comprised of several events geared towards a single country. Currently, the spotlighted country is Mexico, and China was featured last year.

Zip Code Project

Addison currently has two zip codes. For the majority of the Town, the code is 75001. However, there is a part of Town, which extends roughly from just west of the Tollway to the eastern and southeastern city limits, which has a Dallas zip code (75254). This is a recent initiative to consolidate all Addison addresses to 75001 for general consistency, as well as to curb any potential misallocations of sales and property tax revenue.

AI-1137 **R2a**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: City Manager

Council Goals: N/A

AGENDA CAPTION:

Approval of the Minutes for the May 12, 2015 City Council Meeting and Work Session and the May 18, 2015 City Council Special Meeting.

BACKGROUND:

N/A

RECOMMENDATION:

Administration recommends approval.

Attachments

Minutes 05-12-2015

Minutes 05-18-2015

D R A F T

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL
WORK SESSION

May 12, 2015
6:00 PM
Addison Town Hall, 5300 Belt Line Rd., Dallas, TX 75254
6:00 PM Work Session I 7:30 PM Regular Meeting

Present: Arfsten; Carpenter; Clemens; DeFrancisco; Heape; Mayor Meier; Moore

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL
REGULAR MEETING

May 12, 2015
6:00 PM
Addison Town Hall, 5300 Belt Line Rd., Dallas, TX 75254
6:00 PM Work Session I 7:30 PM Regular Agenda
Posted by: Chelsea Gonzalez, May 8, 2015, 5:00pm

WORK SESSION

WS1 Presentation and discussion regarding an update on Storm Water activities.

WS2 Discussion regarding Addison's recognition and naming policy for town parks, trails and structures.

REGULAR MEETING

Pledge of Allegiance

Announcements and Acknowledgements regarding Town and Council Events and Activities

Discussion of Events/Meetings

Consent Agenda.

R2a Approval of the Minutes for the April 28, 2015 City Council Meeting and Work Session.

RECOMMENDATION:
Administration recommends approval.

Motion made by Clemens to approve, as submitted,
Seconded by Moore

Voting AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Mayor Meier, Moore

Passed

R2b Approval of a resolution approving an annual contract with Launch Agency, L.P. for marketing and advertising services for Economic Development and Tourism, Conference Centre and general advertising for Addison.

RECOMMENDATION:
Administration recommends approval.

Motion made by Clemens to approve, as submitted,
Seconded by Moore

Voting AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Mayor Meier, Moore

Passed

R2c Approval of a resolution authorizing the Town to designate representatives who can transact business with the Local Government Investment Cooperative.

RECOMMENDATION:
Administration recommends approval.

Motion made by Clemens to approve, as submitted,

Seconded by Moore

Voting AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Mayor Meier, Moore

Passed

R2d Approval of a resolution authorizing the Town to designate representatives who can transact business with the TexStar investment pool.

RECOMMENDATION:
Administration recommends approval.

Motion made by Clemens to approve, as submitted,
Seconded by Moore

Voting AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Mayor Meier, Moore

Passed

Regular Items

R3 Presentation and introduction of Addison's Oncor representative.

Grace Daniels, Addison's new Oncor representative, spoke regarding this item.

There was no action taken on this item.

R4 Presentation by the Addison Arbor Foundation.

Dr. Jay Ihrig, President of the Addison Arbor Foundation, spoke regarding the placement of a sculpture at Park View Park. There were no concerns made by the City Council for that location.

There was no action taken on this item.

R5 Presentation and discussion regarding the Department of Finance Quarterly Financial Review of the Town for the quarter and year-to-date ended March 31, 2015.

Eric Cannon, Chief Financial Officer, presented and spoke regarding this item.

There was no action taken on this item.

R6 **PUBLIC HEARING**. Public hearing, discuss, consider and take action regarding an ordinance establishing standards of care for youth recreation programs conducted by the Town for elementary age children ages 5 through 13; providing for compliance with Section 42.041(b)(14) of the Texas Human Resources Code.

RECOMMENDATION:
Administration recommends approval.

Randy Rogers, Recreation Manager, spoke regarding this item.

A public hearing was opened and an opportunity to speak offered to the public.

There were no individuals who spoke at the public hearing.

The public hearing was closed.

Motion made by DeFrancisco to approve, as submitted,
Seconded by Carpenter

Voting AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Mayor Meier, Moore

Passed

R7 **PUBLIC HEARING** Case 1712-SUP/Rio Mambo. Public hearing, discuss, consider and take action regarding an ordinance changing the zoning on property located at 4021 Belt Line Road Suite 109, which property is currently zoned LR, Local Retail, by approving a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption only, on application from Rio Mambo Restaurant, represented by Mr. Brent Johnson.

RECOMMENDATION:
Administration recommends approval.

Charles Goff, Assistant Director of Development Services, and Brenda McDonald, City Attorney, spoke regarding this item.

Brent Johnson with Rio Mambo Restaurant also spoke regarding this item.

A public hearing was opened and an opportunity to speak offered to the public.

There were no individuals who spoke at the public hearing.

The public hearing was closed.

Motion made by Moore to accept item R7, as submitted, along with Ordinance O15-009,
Seconded by Clemens

Voting AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Mayor Meier, Moore

Passed

R8 **PUBLIC HEARING** Case 1713-SUP/Twin Peaks. Public hearing, discuss, consider and take action regarding an ordinance changing the zoning on property located at 5260 Belt Line Road which property is currently zoned LR, Local Retail, by approving a Special Use Permit for a restaurant and a Special Use Permit for the sale of alcoholic beverages for on-premises consumption, on application from Front Burner Restaurants, represented by Mr. Patrick Collins.

RECOMMENDATION:
Administration recommends approval.

Charles Goff, Assistant Director of Development Services, spoke regarding this item.

Tim Fox with Front Burner Restaurants also spoke regarding this item.

A public hearing was opened and an opportunity to speak offered to the public.

There were no individuals who spoke at the public hearing.

The public hearing was closed.

Motion made by Clemens to approve item R8, as submitted, and Ordinance O15-010,
Seconded by DeFrancisco

Voting AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Mayor Meier, Moore

Passed

R9 **PUBLIC HEARING** Case 1714-SUP/Ramen Hakata. Public hearing, discuss, consider and take action regarding an ordinance changing the zoning on property located at 3714 Belt Line Road, which property is currently zoned PD, Planned Development, through Ordinance 097-031, approving for that property a Special Use Permit for a restaurant and a Special Use permit for the sale of alcoholic beverages for on-premises consumption only, on application from Gong Gan Architecture represented by Mr. Yoon Jung Kim.

RECOMMENDATION:
Administration recommends approval.

Charles Goff, Assistant Director of Development Services, spoke regarding this item.

A public hearing was opened and an opportunity to speak offered to the public.

There were no individuals who spoke at the public hearing.

The public hearing was closed.

Motion made by Arfsten to approve item R9, as submitted, including Ordinance O15-011,
Seconded by Carpenter

Voting AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Mayor Meier, Moore

Passed

R10 Discuss, consider and take action regarding the selection of a city manager search firm.

Motion made by Clemens to select S. Renee Narloch and Associates to conduct a search for the permanent City Manager,

Seconded by Moore

Voting AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Mayor Meier, Moore

Passed

R11 Discussion and update regarding the Cotton Belt Corridor.

The Mayor updated the Council on the Cotton Belt Corridor.

There was no action taken on this item.

Executive Session

ES1 Closed (executive) session of the Addison City Council pursuant to Section 551.071, Tex. Gov. Code, to seek the advice of its attorney(s) regarding pending litigation: Town of Addison, Texas v. ProAir Developments, L.P., Cause No. DC-13-15164, 14th Judicial District, Dallas County, Texas and anticipated litigation, Hunse v. Town of Addison, et. al, and anticipated litigation regarding use of newsletter email distribution list.

The City Council entered executive session at 8:46 pm.

The City Council closed executive session at 9:50 pm.

The City Council entered executive session at 9:57 pm.

Council Member DeFrancisco left the meeting.

The City Council closed executive session at 10:40 pm.

Reconvene from Executive Session

R12 **RECONVENE INTO REGULAR SESSION:** In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to take any action necessary.

The City Council reconvened from executive session at 9:50 pm.

Motion made by Moore to authorize the City Attorney to take legal action to stop the use of the newsletter email list,
Seconded by Heape

Voting AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Mayor Meier, Moore

Passed

The City Council entered executive session at 9:57 pm.

Council Member DeFrancisco left the meeting.

The City Council reconvened from executive session at 10:40 pm.

There were no additional action taken on the executive session items.

Adjourn Meeting

NOTE: The City Council reserves the right to meet in Executive Session closed to the public at any time in the course of this meeting to discuss matters listed on the agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Chapter 551, including §551.071 (private consultation with the attorney for the City); §551.072 (purchase, exchange, lease or value of real property); §551.074 (personnel or to hear complaints against personnel); §551.076 (deployment, or specific occasions for implementation of security personnel or devices); and §551.087 (economic development negotiations). Any decision held on such matters will be taken or conducted in Open Session following the conclusion of the Executive Session.

_____

Mayor-Todd Meier

Attest:

_____

City Secretary-Chelsea Gonzalez

D R A F T

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL
SPECIAL MEETING

May 18, 2015
5:00 PM
Addison Town Hall, 5300 Belt Line Rd., Dallas, TX 75254
Posted by: Chelsea Gonzalez, May 15, 2015, 5:00pm

Present: Arfsten; Carpenter; Clemens; DeFrancisco; Heape; Meier, Mayor; Moore

SPECIAL MEETING

S1 On May 18, 2015 at 5:00 p.m., the City Council of the Town of Addison will convene at Town Hall located at 5300 Belt Line Road, Dallas, TX 75254 for a photo shoot of the City Council.

There was no action taken on this item.

EXECUTIVE SESSION

ES1 Closed (executive) session of the Addison City Council pursuant to Section 551.071, Tex. Gov. Code, to seek the advice of its attorney(s) regarding anticipated litigation, Hunse v. Town of Addison, et. al., and anticipated litigation regarding use of newsletter email distribution list.

The City Council entered executive session at 5:22 pm.

Council Member DeFrancisco did not participate in the executive session.

The City Council closed executive session at 6:23 pm.

RECONVENE FROM EXECUTIVE SESSION

S2 **RECONVENE INTO REGULAR SESSION:** In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to consider action, if any, on matters discussed in Executive Session.

There was no action taken on the executive session items.

S3 Discuss, consider, and take action approving an Ordinance canvassing the results of the General Municipal Election held on May 9, 2015.

Council Member Clemens moved to approve an ordinance canvassing the 2015 General Election.

Motion made by Clemens to approve, as submitted,
Seconded by Moore

AYE: Arfsten, Carpenter, Clemens, DeFrancisco, Heape, Mayor Meier, Moore

Passed

S4 Administration of the Oath of Office to the newly elected Council Members of the City.

Chelsea Gonzalez, City Secretary, administered the oath of office to Mayor Todd Meier.

Mayor Meier administered the oath of office to Bruce Arfsten, Ivan Hughes, and Dale Wilcox.

There was no action taken on this item.

Adjourn Meeting

Reception for outgoing and newly elected City Council Members.

_____
Mayor-Todd Meier

Attest:

_____

City Secretary-Chelsea Gonzalez

AI-1099 **R2b**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: Parks & Recreation

Council Goals: Mindful stewardship of Town Resources.
Infrastructure improvement and maintenance
Look for Operational Efficiencies without cutting services

AGENDA CAPTION:

Approval of an annual service agreement with Illuminations by Greenlee for outdoor lighting maintenance at park, trail and municipal building sites.

BACKGROUND:

This is a unit cost bid including labor to replace a single lamp and a single ballast in each type of lighting fixture in town-wide parks, pedestrian trails, medians, right-of-ways and outdoor lighting around municipal buildings. The scope of work also includes replacing lamps and ballast on all pedestrian lights in the Addison Circle District, Addison Circle Park, Vitruvian Park and the Vitruvian District. The service agreement does not include street lights, which are maintained by the Infrastructure and Development Services Department or Oncor Electric.

The bidder's were requested to submit a unit cost for changing one lamp and one ballast, so staff can check invoices against the unit costs when work is completed. Additionally, the Parks Department requested a cost to reset light timers for Daylight Savings Time, and an hourly rate for miscellaneous electrical repairs unrelated to bulb and ballast replacements. Miscellaneous electrical repairs occur infrequently and cover repairs such as faulty wiring, etc. Work orders are sent out to the contractor based on monthly light checks performed by the Parks staff, and when light outages are reported by citizens.

This is an annual renewable contract for four additional one-year terms, assuming the contractor's performance is satisfactory and both parties agree to the same terms and conditions of the contract.

Illuminations by Greenlee successfully performed work under the same service agreement for the past five years.

RECOMMENDATION:

Administration recommends approval.

Fiscal Impact

Budgeted Yes/No: Yes

Funding Source: General Fund - Parks Department Operating Budget

Amount: $70,000

Attachments

Bid Tabulation Form

BULB COST INCLUDING LABOR TO REPLACE	Illuminations by Greenlee	NRG Conservation	Groves Electrical	Johnson Electric Company	Environmental Lighting Service	Al Faiz Electric
F22DTT/2 pin fluorescent	$ 9.50	$ 39.96	$ 36.00	$ 31.24	$ 49.42	no bid
CDM 35/ar30L/SP Par 20	$ 70.00	$ 61.00	$ 65.00	$ 52.60	$ 72.50	no bid
CDM35/PAR/M/FL Par 20	$ 70.00	$ 78.53	$ 65.00	$ 52.60	$ 72.50	no bid
MC39T6/U/G12/830	$ 62.00	$ 62.67	$ 65.00	$ 52.60	$ 77.22	no bid
Compact Florescent Med Base 14w R style	$ 10.50	$ 37.62	$ 30.00	$ 30.30	$ 50.53	no bid
Compact Florescent Med Base 16w R style	$ 11.25	$ 38.63	$ 30.00	$ 30.30	$ 47.22	no bid
Compact Florescent Med Base 23w R style	$ 12.75	$ 43.44	$ 30.00	$ 30.30	$ 56.65	no bid
Compact Florescent Med Base 14w E26	$ 12.50	$ 32.93	$ 30.00	$ 24.19	$ 43.50	no bid
Compact Florescent Med Base 23w E26	$ 13.60	$ 32.77	$ 30.00	$ 24.78	$ 44.73	no bid
Compact Florescent Med Base 30w E26	$ 12.00	$ 41.71	$ 30.00	$ 27.83	$ 49.05	no bid
60w Candelabra Base Long Life Incandescent	$ 7.50	$ 30.66	$ 20.00	$ 20.89	$ 41.85	no bid
70w MH E17	$ 45.00	$ 43.46	$ 35.00	$ 37.25	$ 55.23	no bid
70w Moon Pulse	$ 21.40	$ 61.50	$ 50.00	$ 37.25	$ 52.50	no bid
75w/100w PAR 38 exterior flood	$ 10.71	$ 33.88	$ 20.00	$ 51.05	$ 50.92	no bid
75w/100w LED PAR 38 flood equivalents	$ 51.00	$ 50.99	$ 45.00	$ 51.05	$ 70.00	no bid
100w MH E17 Clear	$ 45.00	$ 45.69	$ 35.00	$ 37.25	$ 74.58	no bid
100w MH M90 Clear	$ 38.60	$ 42.76	$ 35.00	$ 37.25	$ 73.80	no bid
MP100/C/U/MED	$ 21.40	$ 42.50	$ 35.00	$ 39.41	$ 57.73	no bid
100w Moon Pulse 100/C/U/MED E17	$ 32.00	$ 45.04	$ 40.00	$ 39.84	$ 55.62	no bid
100w R40 Mercury Vapor	$ 43.50	$ 62.03	$ 50.00	$ 47.00	$ 56.22	no bid
100w Moon Pulse R40	$ 25.60	$ 47.20	$ 50.00	$ 47.00	$ 56.22	no bid
MXR100/C/U/MED/0 12579	$ 18.50	$ 50.80	$ 40.00	$ 48.73	$ 68.33	no bid
150w MH E17	$ 45.25	$ 48.08	$ 35.00	$ 37.25	$ 73.80	no bid
175w MH E28	$ 59.51	$ 55.95	$ 35.00	$ 33.75	$ 62.38	no bid
175w-ED-17MH	$ 53.00	$ 49.57	$ 40.00	$ 38.01	$ 54.65	no bid
175W R40 Mercury Vapor	$ 45.25	$ 60.50	$ 50.00	$ 47.32	$ 50.30	no bid
250w MH E28	$ 30.25	$ 109.45	$ 35.00	$ 33.75	$ 54.58	no bid
Q1000 PAR 64 MFL 43498	$ 7.50	$ 120.78	$ 30.00	$ 38.62	$ 319.12	no bid
1000/HOR/BT37	$ 20.00	$ 151.18	$ 60.00	$ 113.44	$ 82.67	no bid
1000w MH E28 mogul base	$ 43.00	$ 128.14	$ 100.00	$ 59.66	$ 71.32	no bid
400w MH mogul base	$ 28.00	$ 43.12	$ 35.00	$ 42.71	$ 54.92	no bid
20w G4	$ 9.75	$ 35.99	$ 25.00	$ 23.28	$ 47.07	no bid
50W E-17 MH	$ 29.00	$ 50.43	$ 35.00	$ 37.25	$ 55.23	no bid
50w MR16/low voltage halogen	$ 24.00	$ 34.50	$ 25.00	$ 25.11	$ 44.50	no bid
LED equivalent for 50w MR16/low voltage halogen	$ 49.00	$ 42.00	$ 35.00	$ 43.00	$ 60.00	no bid
20w MR16/low voltage halogen	$ 23.00	$ 38.00	$ 25.00	$ 25.11	$ 44.50	no bid
LED equivalent for 20w MR16/low voltage halogen	$ 48.50	$ 42.00	$ -	$ 40.85	$ 55.00	no bid
MVR 50/U/MED E17	$ 17.50	$ 49.20	$ 40.00	$ 37.25	$ 57.08	no bid
HR 175 R40 clear	$ 21.00	$ 42.30	$ 50.00	$ 47.37	$ 50.30	no bid
Quartz Filament Style	$ 8.50	$ 36.50	$ 20.00	$ 26.47	$ 45.50	no bid
Encapsulated String Lights	$ 7.50	$ 40.00	$ 50.00	$ 273.90	$ 50.00	no bid
50W T4 GY6.35	$ 7.50	$ 35.00	$ 25.00	$ 23.28	$ 47.07	no bid
39w T8 MC39	$ 83.50	$ 80.00	$ 200.00	$ 52.60	$ 82.92	no bid
150CHMTG	$ 56.00	$ 50.00	$ 110.00	$ 52.60	$ 61.50	no bid
50 watt Moon Pulse	$ 21.00	$ 47.00	$ 50.00	$ 39.54	$ 55.23	no bid
CREE 47w E-WP8 LED	$ 53.60	$ 81.97	$ 230.00	$ 168.32	$ 206.67	no bid

BALLAST/TRANSFORMER/DRIVER COST INCLUDING LABOR TO REPLACE	ONE EACH	ONE EACH	ONE EACH	ONE EACH	ONE EACH	ONE EACH
35/39 watt Metal Halide ballast P.S.	$ 60.21	$ 65.00	$ 135.00	$ 115.09	$ 181.11	no bid
35/39 watt Metal Halide electronic ballast	$ 122.75	$ 65.00	$ 160.00	$ 192.25	$ 212.46	no bid
50 watt Metal Halide ballast P.S.	$ 70.21	$ 65.00	$ 90.00	$ 96.85	$ 142.67	no bid
70 watt Metal Halide ballast P.S.	$ 80.00	$ 65.00	$ 90.00	$ 109.14	$ 144.33	no bid
100 watt Metal Halide ballast P.S.	$ 75.00	$ 65.00	$ 90.00	$ 102.77	$ 139.64	no bid
100 watt Metal Halide electronic ballast	$ 105.00	$ 70.00	$ 150.00	$ 192.25	$ 224.30	no bid
150 watt Metal Halide ballast P.S.	$ 75.00	$ 70.00	$ 90.00	$ 113.41	$ 167.00	no bid
175 watt Metal Halide ballast P.S.	$ 80.00	$ 70.00	$ 95.00	$ 118.14	$ 162.90	no bid
175 watt Metal Halide ballast non-pulse	$ 65.50	$ 70.00	$ 95.00	$ 102.77	$ 131.63	no bid
250 watt Metal Halide ballast non-pulse	$ 61.25	$ 150.00	$ 100.00	$ 116.79	$ 135.00	no bid
1000 watt Metal Halide ballast non-pulse	$ 98.75	$ 147.00	$ 200.00	$ 167.81	$ 199.14	no bid
120/208/240/277 volt multi-tap ballast	$ 64.25	$ 147.00	$ 200.00	$ 167.81	$ 191.91	no bid
480 volt ballast	$ 79.25	$ 77.00	$ 200.00	$ 167.81	$ 199.14	no bid
26 watt fluorescent transformer	$ 34.25	$ 69.00	$ 60.00	$ 68.92	$ 101.36	no bid
1000 watt 6volt low voltage multi-tap transformer	$ 12.00	$ 77.00	$ 140.00	$ 280.17	$ 580.00	no bid
50 watt low voltage multi-tap transformer	$ 38.25	$ 79.00	$ 120.00	$ 121.61	$ 251.43	no bid
LED LSI driver 200w in/175w out IP65	$ 110.00	$ 105.00	$ 220.00	$ 240.55	$ 494.29	no bid
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
Total of single bulb & single ballast/transformer/ driver unit costs	$ 2,667.09	$ 3,953.43	$ 4,441.00	$ 4,685.29	$ 6,720.94	$ 200.00
Cost of changing all the timers for Daylight Savings Time (Pricing should reflect the total for both Fall and Spring Daylight Savings	$ 750.00	$ 600.00	$ 784.00	$ 2,600.00	$ 2,000.00	$ 20,000.00
Labor for misc. electrical repairs (Use Journeyman electrical rate) per man hour	$ 45.00	$ 30.00	$ 60.00	$ 80.00	$ 75.00	$ 6.00 /man hour
Parts for misc. electrical repairs - Contractor's cost plus markup	18%	15%	15%	10%	25%	0%

AI-1115 **R2c**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: Finance

Council Goals: Mindful stewardship of Town Resources.

AGENDA CAPTION:

Approval of a resolution authorizing the Town to designate representatives who can transact business with the TexPool local government investment pool.

BACKGROUND:

In addition to investing in individual securities, the Town also invests a portion of our investment portfolio in a local government investment pool known as TexPool. The pool invests primarily in short-term securities maturing in less than 7 days, and Town funds are available at any time without penalty. As such, TexPool offers the Town a competitive short-term investment yield with the added flexibility of immediate funds availability. Due to staffing changes, the list of authorized representatives with TexPool needs to be amended to add the Accounting Manager and remove the former Assistant Finance Director. To make these changes, TexPool requires that the City Council approve a resolution. The CFO is retained as an authorized representative that can conduct transactions with TexPool.

RECOMMENDATION:

Administration recommends approval.

Attachments

TexPool Authorized Rep

TEXPOOL
An Investment Service for Public Funds

RESOLUTION AMENDING AUTHORIZED REPRESENTATIVES

WHEREAS, Town of Addison

(Participant Name & Location Number)

("Participant") is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pool ("TexPool/ Texpool *Prime*"), a public funds investment pool, were created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

NOW THEREFORE, be it resolved as follows:

A. That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool / TexPool *Prime* and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.

B. That an Authorized Representative of the Participant may be deleted by a written instrument signed by two remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant's TexPool / TexPool *Prime* account or (2) is no longer employed by the Participant; and

C. That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant;

List the Authorized Representatives of the Participant. Any new individuals will be issued personal identification numbers to transact business with TexPool Participant Services.

1. Name: Eric Cannon Title: Chief Financial Officer
Phone/Fax/Email: 972-450-7050/7065/ecannon@addisontx.gov
Signature:

2. Name: Amanda Turner Title: Accounting Manager
Phone/Fax/Email: 972-450-7064/7096/adturner@addisontx.gov
Signature:

ORIGINAL SIGNATURE AND DOCUMENT REQUIRED TEX – REP

3. Name: _____ Title: _____
Phone/Fax/Email: _____
Signature: _____

4. Name: _____ Title: _____
Phone/Fax/Email: _____
Signature: _____

List the name of the Authorized Representative listed above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement.

Name Eric Cannon

In addition and at the option of the Participant, one additional Authorized Representative can be designated to perform only inquiry of selected information. This limited representative cannot perform transactions. If the Participant desires to designate a representative with inquiry rights only, complete the following information.

5. Name: Paul DeBuff / Mushtaq Ali Title: Management Analyst / Accountant
Phone/Fax/Email: 972-450-7087/7074/pdebuff@addisontx.gov / 972-450-7061/7074/mali@addisontx.gov

D. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool Participant Services receives a copy of any such amendment or revocation. This Resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the 26 day May, 2015_.

Document is to be signed by your Board President, Mayor or County Judge and attested by your Board Secretary, City Secretary or County Clerk.

NAME OF PARTICIPANT: Town of Addison

SIGNED: _____
Signature

Todd Meier
Printed Name

Mayor
Title

ATTEST: _____
Signature

Charles Daniels
Printed Name

Interim City Manager
Title

This document supersedes all prior Authorized Representative designations.

ORIGINAL SIGNATURE AND DOCUMENT REQUIRED TEX – REP

AI-1125 **R2d**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: Finance

Council Goals: Mindful stewardship of Town Resources.
Look for Operational Efficiencies without cutting services

AGENDA CAPTION:

Approval of a resolution approving a negotiated settlement between ACSC and Atmos Energy Corp., regarding the company's 2014 and 2015 rate review mechanism (RRM) filings.

BACKGROUND:

The Steering Committee of Cities Served by Oncor undertakes activities on behalf of municipalities for which it needs funding support from its members. Municipalities have original jurisdiction over the electric distribution rates and services within the city. The Steering Committee has been in existence since the late 1980s. It took on a formal structure in the early 1990s. Empowered by city resolutions and funded by per capita assessments, the Steering Committee has been the primary public interest advocate before the Public Utility Commission, ERCOT, the courts, and the Legislature on electric utility regulation matters for over two decades.

The Steering Committee is actively involved in rate cases, appeals, rulemakings, and legislative efforts impacting the rates charged by Oncor Electric Delivery Company, LLC within the City. Steering Committee representation is also strong at ERCOT. It is possible that additional efforts will be necessary on new issues that arise during the year, and it is important that the Steering Committee be able to fund its participation on behalf of its member cities. A per capita assessment has historically been used, and is a fair method for the members to bear the burdens associated with the benefits received from that membership.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution

TOWN OF ADDISON, TEXAS

RESOLUTION NO. R15-016

AN RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ADDISON, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2014 AND 2015 RATE REVIEW MECHANISM FILINGS; APPROVING A SETTLEMENT AGREEMENT WITH ATTACHED RATE TARIFFS AND PROOF OF REVENUES; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL.

WHEREAS, the City of Addison, Texas ("City") is a gas utility customer of Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company"), and a regulatory authority with an interest in the rates and charges of Atmos; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee ("ACSC"), a coalition of similarly-situated cities served by Atmos Mid-Tex ("ACSC Cities") that have joined together to facilitate the review of and response to natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a new Rate Review Mechanism ("RRM") tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program ("GRIP")

process instituted by the Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the initial RRM Tariff was in effect for four (4) years; and

WHEREAS, ACSC Cities and Atmos Mid-Tex entered into another settlement agreement and revised the RRM Tariff; and

WHEREAS, ACSC Cities and Atmos Mid-Tex compromised and reached agreements on the amount of the rate increases to be in effect for the RRM Tariff filings for 2012 and 2013; and

WHEREAS, ACSC Cities and Atmos Mid-Tex were unable to reach an agreement on the 2014 RRM Tariff filing, resulting in the ACSC Cities' rejection of the 2014 RRM filing; and

WHEREAS, Atmos Mid-Tex appealed the ACSC Cities' actions rejecting its 2014 RRM filing to the Railroad Commission of Texas ("Commission"), pursuant to the provisions of the RRM Tariff; and

WHEREAS, Atmos Mid-Tex and ACSC litigated the appeal of the 2014 RRM filing at the Commission; and

WHEREAS, on February 27, 2015, Atmos Mid-Tex filed its 2015 RRM Tariff filing, requesting to increase natural gas base rates system-wide by $28.762 million; and

WHEREAS, ACSC coordinated its review of Atmos Mid-Tex RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, Atmos Mid-Tex has agreed to withdraw its appeal of ACSC's rejection of its 2014 RRM Tariff rate increase; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve the attached Settlement Agreement (Attachment A to this Resolution) as well as the tariffs attached thereto, resolving both the 2014 and the 2015 RRM Tariff filings, which together will increase the Company's revenues by $65.7 million over the amount allowed under City-approved rates set in 2013; and

WHEREAS, the attached tariffs implementing new rates are consistent with the negotiated Settlement Agreement and are just, reasonable, and in the public interest; and

WHEREAS, the RRM Tariff should be renewed for a period of time commencing in 2016 and continuing until the RRM Tariff is suspended by ordinance of the City; and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ADDISON, TEXAS:

Section 1. That the findings set forth in this Resolution are hereby in all things approved.

Section 2. That the City Council finds that the Settlement Agreement (Attachment A to this Resolution) represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2014 and 2015 RRM filings, is

in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

Section 3. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Attachment C, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional $65.7 million in revenue over the amount allowed under currently approved rates, or $21 million over currently-billed rates, as shown in the Proof of Revenues attached hereto and incorporated herein as Attachment B; such tariffs are hereby adopted.

Section 4. That the ratemaking treatment for pensions and other post-employment benefits in Atmos' next RRM filing shall be as set forth on Attachment D, attached hereto and incorporated herein.

Section 5. That in an effort to streamline the regulatory review process, the Atmos Mid-Tex RRM Tariff is renewed for a period commencing with the Company's March 1, 2016 RRM filing for calendar year 2015, effective June 1, 2016, and continuing thereafter until such time as the City adopts an ordinance suspending operation of the RRM Tariff.

Section 6. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's RRM application.

Section 7. That to the extent any resolution previously adopted by the Council is inconsistent with this Resolution, it is hereby repealed.

Section 8. That the meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 9. That if any one or more sections or clauses of this Resolution is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

Section 10. That consistent with the City ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after June 1, 2015.

Section 11. That a copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LJB Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this 26th day of May, 2015.

_____
Todd Meier, Mayor

ATTEST:

_____
Chelsea Gonzalez, City Secretary

APPROVED AS TO FORM:

_____
Brenda McDonald, City Attorney

AI-1116 **R2e**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: Finance

Council Goals: Mindful stewardship of Town Resources.

AGENDA CAPTION:

Approval of a resolution that authorizes the Town of Addison to be or remain a member of a 168-member city coalition known as the Atmos Cities Steering Committee (ACSC).

BACKGROUND:

ACSC protects the authority of municipalities over the monopoly natural gas provider and defends the interests of the residential and small commercial customers within the cities. Cities are the only consumer advocates that work to keep natural gas rates reasonable. The work undertaken by ACSC has saved ratepayers millions of dollars in unreasonable charges.

Payment of the membership assessment fee shall be deemed to be agreement with the terms of the ACSC participation agreement.

RECOMMENDATION:

Administration recommends approval.

Fiscal Impact

Budgeted Yes/No: Yes

Funding Source: General Fund- Finance

Amount: $770.35

Attachments

ACSC Staff Report

ACSC 2015 Invoice

ACSC Member Cities, 2015

Resolution

STAFF REPORT ON ASSESSMENT RESOLUTION FOR ATMOS CITIES STEERING COMMITTEE

Purpose of the Resolution:

Most municipalities have retained original jurisdiction over gas utility rates and services within municipal limits. The Atmos Cities Steering Committee ("ACSC") is composed of municipalities in the service area of Atmos Energy Corporation, Mid-Tex Division regardless of whether original jurisdiction has been retained. Atmos is a monopoly provider of natural gas. Because Atmos has no competitors, regulation of the rates that it charges its customers is the only way that cities can ensure that natural gas rates are fair. Working as a coalition to review the rates charged by Atmos allows cities to accomplish more collectively than each city could do acting alone. Cities have more than 100 years experience in regulating natural gas rates in Texas.

ACSC is the largest coalition of cities served by Atmos Mid-Tex. There are 165 ACSC member cities, which represent more than 60 percent of the total load served by Atmos-Mid Tex. ACSC protects the authority of municipalities over the monopoly natural gas provider and defends the interests of residential and small commercial customers within the cities. Although many of the activities undertaken by ACSC are connected to rate cases (and therefore expenses are reimbursed by the utility), ACSC also undertakes additional activities on behalf of municipalities for which it needs funding support from its members.

The ACSC Membership Assessment Supports Important Activities:

ACSC is actively involved in rate cases, appeals, rulemakings, and legislative efforts impacting the rates charged by Atmos within the City. These activities will continue throughout the calendar year. It is possible that additional efforts will be necessary on new issues that arise during the year, and it is important that ACSC be able to fund its participation on behalf of its member cities. A per capita assessment has historically been used, and is a fair method for the members to bear the burdens associated with the benefits received from that membership.

Explanation of Resolution Paragraphs:

I. This paragraph authorizes the continuation of the City's membership in ACSC.

II. This paragraph authorizes payment of the City's assessment to the ACSC in the amount of five cents ($0.05) per capita.

III. This paragraph requires notification that the City has adopted the Resolution.

Payment of Assessment

The assessment payment check should be made out to "*Atmos Cities Steering Committee*"and mailed to David Barber, Atmos Cities Steering Committee, c/o Arlington City Attorney's Office, Mail Stop 63-0300, Post Office Box 90231, Arlington, Texas 76004-3231.

City of Arlington, c/o Atmos Cities Steering Committee
Attn: David Barber, Asst City Attorney
101 S. Mesquite, 3rd Floor
Arlington, TX 76010

Invoice

Date	Invoice #
4/24/2015	15-004

Bill To
City of Addison

Item	Rate	Population	Amount
2015 Assessment	0.05	15,407	770.35
		Total	$770.35

Please make check payable to: Atmos Cities Steering Committee. Mail to ACSC, c/o David Barber, Asst City Attorney, 101 S. Mesquite, 3rd Floor, Arlington, TX 76010

ACSC Cities (165 Total)

Abilene
Addison
Allen
Alvarado
Angus
Anna
Argyle
Arlington
Aubrey
Bedford
Bellmead
Benbrook
Beverly Hills
Blossom
Blue Ridge
Bowie
Boyd
Bridgeport
Brownwood
Buffalo
Burkburnett
Burleson
Caddo Mills
Canton
Carrollton
Cedar Hill
Celeste
Celina
Centerville
Cisco
Clarksville
Cleburne
Clyde
College Station
Colleyville
Colorado City
Comanche
Commerce
Coolidge
Coppell
Copperas Cove
Corinth
Corral City
Crandall
Crowley
Dalworthington Gardens
Denison
DeSoto
Duncanville
Eastland
Edgecliff Village
Emory
Ennis
Euless
Everman
Fairview
Farmers Branch
Farmersville
Fate
Flower Mound
Forest Hill
Fort Worth
Frisco
Frost
Gainesville
Garland
Garrett
Grand Prairie
Grapevine
Haltom City
Harker Heights
Haskell
Haslet
Hewitt
Highland Park
Highland Village
Honey Grove
Hurst
Hutto
Iowa Park
Irving
Justin
Kaufman
Keene
Keller
Kemp
Kennedale
Kerens
Kerrville
Killeen
Krum
Lakeside
Lake Worth
Lancaster
Lewisville
Lincoln Park
Little Elm
Lorena
Madisonville
Malakoff
Mansfield
McKinney
Melissa
Mesquite
Midlothian
Murphy
Newark
Nocona
North Richland Hills
Northlake
Oak Leaf
Ovilla
Palestine
Pantego
Paris
Parker
Pecan Hill
Petrolia
Plano
Ponder
Pottsboro
Prosper
Quitman
Red Oak
Reno (Parker County)
Richardson
Richland
Richland Hills
River Oaks
Roanoke
Robinson
Rockwall
Roscoe
Rowlett
Royse City
Sachse
Saginaw
Sansom Park
Seagoville
Sherman
Snyder
Southlake
Springtown
Stamford
Stephenville
Sulphur Springs
Sweetwater
Temple
Terrell
The Colony
Trophy Club
Tyler
University Park
Venus
Vernon
Waco
Watauga
Waxahachie
Westlake
Westover Hills
Whitesboro
White Settlement
Wichita Falls
Woodway
Wylie

TOWN OF ADDISON, TEXAS

RESOLUTION NO. R15-017

A RESOLUTION AUTHORIZING CONTINUED PARTICIPATION WITH THE ATMOS CITIES STEERING COMMITTEE; AND AUTHORIZING THE PAYMENT OF FIVE CENTS PER CAPITA TO THE ATMOS CITIES STEERING COMMITTEE TO FUND REGULATORY AND RELATED ACTIVITIES RELATED TO ATMOS ENERGY CORPORATION

WHEREAS, the City of Addison is a regulatory authority under the Gas Utility Regulatory Act (GURA) and has exclusive original jurisdiction over the rates and services of Atmos Energy Corporation, Mid-Tex Division (Atmos) within the municipal boundaries of the city; and

WHEREAS, the Atmos Cities Steering Committee (ACSC) has historically intervened in Atmos rate proceedings and gas utility related rulemakings to protect the interests of municipalities and gas customers residing within municipal boundaries; and

WHEREAS, ACSC is participating in Railroad Commission dockets and projects, as well as court proceedings and legislative activities, affecting gas utility rates; and

WHEREAS, the City is a member of ACSC; and

WHEREAS, in order for ACSC to continue its participation in these activities which affects the provision of gas utility service and the rates to be charged, it must assess its members for such costs; NOW THEREFORE,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS

I.

That the City is authorized to continue its membership with the Atmos Cities Steering Committee to protect the interests of the City of ADDISON and protect the interests of the customers of Atmos Energy Corporation, Mid-Tex Division residing and conducting business within the City limits.

II.

The City is further authorized to pay its 2015 assessment to the ACSC in the amount of five cents ($0.05) per capita.

III.

A copy of this Resolution and approved assessment fee payable to *"Atmos Cities Steering Committee"* shall be sent to:

David Barber
Atmos Cities Steering Committee
c/o Arlington City Attorney's Office, Mail Stop 63-0300
Post Office Box 90231
Arlington, Texas 76004-3231

PASSED AND APPROVEDby a vote of seven (7) ayes and zero (0) nays at a regular meeting of the City Council of the Town of Addison, Texas this 26th day of May, 2015.

_____
Signature
Todd Meier, Mayor

ATTEST:

_____
Signature
Chelsea Gonzalez, City Secretary

APPROVED AS TO FORM:
Brenda McDonald, City Attorney

BY_____

AI-1117 **R2f**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: Finance

Council Goals: Mindful stewardship of Town Resources.

AGENDA CAPTION:

Approval of a resolution authorizing continued participation with, and funding for, the Steering Committee of Cities Served by Oncor.

BACKGROUND:

The City of Addison is a member of a 150-member city coalition known as the Steering Committee of Cities Served by Oncor. The resolution approves the assessment of an eleven cent ($0.11) per capita fee to fund the activities of the Steering Commitee.

The Steering Committee undertakes activities on behalf of municipalities for which it needs funding support from its members. Municipalities have original jurisdiction over the electric transmission and distribution rates and services within the city. The Steering Committee has been in existence since the late 1980s. It took on a formal structure in the early 1990s when cities served by TXU (since renamed as Oncor Electric Delivery Company, LLC) gave up their statutory right to rate case expense reimbursement in exchange for higher franchise fee payments. Empowered by city resolutions and funded by per capita assessments, the Steering Committee has been the primary public interest advocate before the Public Utility Commission, ERCOT, the courts, and the Legislature on electric utility regulation matters for nearly two decades.

The Steering Committee is actively involved in rate cases, appeals, rulemakings, and legislative efforts impacting the rates charged by Oncor Electric Delivery Company, LLC within the City. Steering Committee representation is also strong at ERCOT. It is possible that additional efforts will be necessary on new issues that arise during the year, and it is important that the Steering Committee be able to fund its participation on behalf of its member cities. A per capita assessment has historically been used, and is a fair method for the members to bear the burdens associated with the benefits received from that membership.

RECOMMENDATION:

Administration recommends approval.

Fiscal Impact

Budgeted Yes/No: Yes

Funding Source: General Fund- Finance

Amount: $1,674.77

Attachments

ONCOR Invoice
ONCOR Staff Report
OCSC Members, 2015
Resolution

City of Arlington, c/o Oncor Cities Steering Committee
Attn: David Barber, Asst. City Attorney
Post Office Box 90231
MS # 63-0300
Arlington, TX 76004-3231

Invoice

Date	Invoice #
3/12/2015	15-003

Bill To
Town of Addison

Item	Population	Per capita	Amount
2015 Membership Assessment	15,407	0.11	1,694.77
		Total	$1,694.77

Please make check payable to: Oncor Cities Steering Committee and mail to Oncor Cities Steering Committee, c/o David Barber, Arlington City Attorney's Office,PO Box 90231, Mail Stop 63-0300, Arlington, Texas 76004-3231

STAFF REPORT ON ASSESSMENT RESOLUTION
FOR STEERING COMMITTEE OF CITIES SERVED BY ONCOR

Purpose of the Resolution

The City of Addison is a member of a 153-member city coalition known as the Steering Committee of Cities Served by Oncor. The resolution approves the assessment of aneleven cent ($0.11)per capita fee to fund the activities of the Steering Commitee.

Why this Resolution is Necessary

The Steering Committee undertakes activities on behalf of municipalities for which it needs funding support from its members. Municipalities have original jurisdiction over the electric distribution rates and services within the city. The Steering Committee has been in existence since the late 1980s. It took on a formal structure in the early 1990s. Empowered by city resolutions and funded by per capita assessments, the Steering Committee has been the primary public interest advocate before the Public Utility Commission, ERCOT, the courts, and the Legislature on electric utility regulation matters for over two decades.

The Steering Committee is actively involved in rate cases, appeals, rulemakings, and legislative efforts impacting the rates charged by Oncor Electric Delivery Company, LLC within the City. Steering Committee representation is also strong at ERCOT. It is possible that additional efforts will be necessary on new issues that arise during the year, and it is important that the Steering Committee be able to fund its participation on behalf of its member cities. A per capita assessment has historically been used, and is a fair method for the members to bear the burdens associated with the benefits received from that membership.

Explanation of "Be It Resolved" Paragraphs

I. The City is currently a member of the Steering Committee; this paragraph authorizes the continuation of the City's membership.

II. This paragraph authorizes payment of the City's assessment to the Steering Committee in the amount of eleven cents ($0.11) per capita, based on the population figure for the City as shown in the latest TML Directory of City Officials.

III. This paragraph requires notification to the Chair of the Steering Committee, Paige Mims, that the City has adopted the Resolution.

Payment of Assessment

A copy of the resolution should be mailed with payment of the fee to David Barber, Steering Committee of Cities Served by Oncor, c/o City Attorney's Office, Mail Stop 63-0300, Post Office Box 90231, Arlington, Texas 76004-3231. Checks should be made payable to: *Steering Committee of Cities Served by Oncor*.

STEERING COMMITTEE CITIES SERVED BY ONCOR (153)

Addison
Allen
Alvarado
Andrews
Anna
Archer City
Argyle
Arlington
Azle
Bedford
Bellmead
Belton
Benbrook
Beverly Hills
Big Spring
Breckenridge
Bridgeport
Brownwood
Buffalo
Burkburnett
Burleson
Caddo Mills
Cameron
Canton
Carrollton
Cedar Hill
Celina
Centerville
Cleburne
Coahoma
Colleyville
Collinsville
Comanche
Commerce
Coppell
Copperas Cove
Corinth
Crowley
Dallas
Dalworthington Gardens
DeLeon
De Soto
Denison
Duncanville
Early
Eastland
Edgecliff Village
Ennis
Euless
Everman
Fairview
Farmers Branch
Fate
Flower Mound
Forest Hill
Fort Worth
Frisco
Frost
Gainesville
Garland
Glenn Heights
Grand Prairie
Granger
Grapevine
Haltom City
Harker Heights
Haslet
Heath
Henrietta
Hewitt
Highland Park
Honey Grove
Howe
Hurst
Hutto
Iowa Park
Irving
Jolly
Josephine
Justin
Kaufman
Keller
Kerens
Killeen
Krum
Lake Worth
Lakeside
Lamesa
Lancaster
Lewisville
Lindale
Little Elm
Little River Academy
Malakoff
Mansfield
McKinney
Mesquite
Midland
Midlothian
Murchison
Murphy
Nacogdoches
New Chapel Hill
North Richland Hills
Oak Leaf
Oak Point
Odessa
O'Donnell
Ovilla
Palestine
Pantego
Paris
Plano
Pottsboro
Prosper
Ranger
Rhome
Richardson
Richland Hills
River Oaks
Roanoke
Robinson
Rockwall
Rosser
Rowlett
Sachse
Saginaw
Sansom Park
Seagoville
Sherman
Snyder
Southlake
Springtown
Stephenville
Sulphur Springs
Sunnyvale
Sweetwater
Temple
Terrell
The Colony
Trophy Club
Tyler
University Park
Venus
Waco
Watauga
Waxahachie
Westover Hills
White Settlement
Wichita Falls
Willow Park
Woodway
Wylie

TOWN OF ADDISON, TEXAS

RESOLUTION NO. R15-018

A RESOLUTION AUTHORIZING CONTINUED PARTICIPATION WITH THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR; AND AUTHORIZING THE PAYMENT OF 11 CENTS PER CAPITA TO THE STEERING COMMITTEE TO FUND REGULATORY AND LEGAL PROCEEDINGS AND ACTIVITIES RELATED TO ONCOR ELECTRIC DELIVERY COMPANY, LLC.

WHEREAS, the City of Addison is a regulatory authority under the Public Utility Regulatory Act (PURA) and has exclusive original jurisdiction over therates and services of Oncor Electric Delivery Company, LLC (Oncor) within the municipal boundaries of the city; and

WHEREAS, the Steering Committee has historically intervened in Oncor rate proceedings and electric utility related rulemakings to protect the interests of municipalities and electric customers residing within municipal boundaries; and

WHEREAS, the Steering Committee is participating in Public Utility Commission dockets and projects, as well as court proceedings, and legislative activity, affecting transmission and distribution utility rates; and

WHEREAS, the City is a member of the Steering Committee of Cities Served by Oncor; and

WHEREAS, the Steering Committee functions under the direction of an Executive Committee (whose current members are identified in Attachment 1) which sets an annual budget and directs interventions before state and federal agencies, courts and legislatures, subject to the right of any member to request and cause its party status to be withdrawn from such activities; and

WHEREAS, the Executive Committee in its December 2014 meeting set a budget for 2015 that compels an assessment of eleven cents ($0.11) per capita; and

WHEREAS, in order for the Steering Committee to continue its participation in these activities which affects the provision of electric utility service and the rates to be charged, it must assess its members for such costs.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OFADDISON, TEXAS:

I.

That the City is authorized to continue its membership with the Steering Committee of Cities Served by Oncor to protect the interests of the City ofAddison and

protect the interests of the customers of Oncor Electric Delivery Company, LLC residing and conducting business within the City limits.

II.

The City is further authorized to pay its assessment to the Steering Committee of eleven cents ($0.11) per capita based on the population figures for the City shown in the latest TML Directory of City Officials.

III.

A copy of this Resolution and the assessment payment check made payable to *"Steering Committee of Cities Served by Oncor"* shall be sent to David Barber, Steering Committee of Cities Served by Oncor, c/o City Attorney's Office, Mail Stop 63-0300, Post Office Box 90231, Arlington, Texas 76004-3231.

PASSED AND APPROVEDby a vote of seven (7) ayes and zero (0) nays at a regular meeting of the City Council of the Town of Addison, Texas this 26th day of May, 2015.

_____
Signature
Todd Meier, Mayor

ATTEST:

_____
Signature
Chelsea Gonzalez, City Secretary

APPROVED AS TO FORM:

_____
Signature
Brenda McDonald, City Attorney

Attachment 1
OCSC 2015 Executive Committee Members

Allen	Eric Ellwanger, Assistant to City Manager
Arlington	David Barber, Assistant City Attorney
Burkburnett	Trish Holley, Director of Administration
Carrollton	Elizabeth Horn, Assistant City Attorney
Cleburne	Kim Galvin, Director of Finance
Colleyville	Cathy Cunningham, City Attorney
Comanche	Ronnie Clifton, Mayor
Dallas	Nick Fehrenbach, Manager of Regulatory Affairs & Utility Franchising
Denison	Courtney Goodman-Morris, City Attorney
Ennis	Joel Welch, Director of Finance
Flower Mound	Christianne Price, Budget & Grants Manager
Fort Worth	Bridgette Garrett, Director of Budget & Management Services
Frisco	Ben Brezina, Assistant to City Manager
Grand Prairie	Don Postell, City Attorney
Irving	Carrie Morris, Assistant City Attorney
Lewisville	Phil Boyd, Consultant
Mansfield	Joe Smolinski, Director of Utility Operations
Mesquite	Cynthia Steiner, Assistant City Attorney
Odessa	Konrad Hildebrandt, Assistant City Manager
Plano	Mark Israelson, Director of Policy and Government Relations
Sherman	Brandon Shelby, City Attorney
The Colony	Gwen Mansfield, Assistant Finance Director
Tyler	Deborah G. Pullum, Assistant City Attorney
Waco	Jennifer Richie, City Attorney
Watauga	Greg Vick, City Manager
Waxahachie	Doug Barnes, Director of Economic Development

AI-1129 **R2g**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: Infrastructure- Development Services

Council Goals: Create and Implement a strategy for Town Owned Real Estate

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AGENDA CAPTION:

Approval of and authorizing the city manager to enter into the renewal of a Non-public Fuel Farm License agreement Eagle Land and Cattle (EL&C), dba American Flyers, at Addison Airport.

BACKGROUND:

Airport management recommends that the Town grant EL&C a new five-year Fuel Farm License allowing them to continue their non-public fueling operations. The License is the Town's standard form agreement with a primary term of five (5) years but without an option to extend beyond the primary term. The license fee (tank rental) is at the Airport's current published Rates and Charges rate, or $759.50 for a single 15,000 gallon Avgas tank.

As a non-public fueler, EL&C shall pay the prevailing non-public fueler fuel flowage fee (FFF), which is currently $.20 per gallon received. The new Primary Term will be effective retroactive to November 1, 2014. The city attorney has reviewed this document and approves of its form for the Town's purpose.

Eagle Land & Cattle Co., is a Texas corporation that has been operating domestic and international flight training at Addison Airport since 1990. They currently operate from two ground leaseholds located at 16151 Addison Road and the other at 4650 Airport Parkway.

EL&C has been a good and longstanding tenant for the Town and Addison Airport. Allowing EL&C to continue their non-public fueling operations is vital to American Flyers continued success. Airport Management regards the EL&C's continued access to the two Avgas tanks as the best use of these particular facilities for the foreseeable future.

RECOMMENDATION:

Administration recommends approval.

Attachments

ELC Fuel Farm License Agreement

William M. Dyer
Real Estate Manager
16051 Addison Road
Suite #220
Addison, Texas 75001

Main: 972-392-4850
Direct: 972-392-4856
Fax: 972-788-9334
bill.dyer@addisonairport.net

- M E M O R A N D U M -

To: Lisa Pyles

From: Bill Dyer

CC: Joel Jenkinson

Date: May 7, 2015

Re: Eagle Land & Cattle Fuel Farm License Renewal

Please find attached the proposed Addison Airport Non-Public Fuel Farm License between the Town of Addison and Eagle Land & Cattle Co. (EL&C) dba American Flyers for the Town Council's consideration and consent during the upcoming meeting on May 26.

Airport management is proposing the Town to grant EL&C a new five-year Fuel Farm License allowing them to continue their non-public AVGAS (100LL) fueling operations. The form is the Town's standard agreement with a primary term of five (5) without any option to extend beyond the primary term. The license fee (tank rental) is the Airport's current published rate, being $759.50 per month for a single 15,000 gallon AVGAS tank. Additionally, as a non-public fueler, EL&C will continue to pay the prevailing non-public fuel flowage fee (FFF), currently $.20 per gallon received. The new Primary Term is to be made effective retroactive to November 1, 2014. The city attorney has reviewed this document and approve to form.

Eagle Land & Cattle Co., is a Texas corporation that has been operating domestic and international flight training at Addison Airport since 1990. They currently operate from their two ground leaseholds located at 16151 Addison Road and 4650 Airport Parkway.

In 2009 the Town, among other things, granted EL&C a non-public fueling license for 100LL AVGAS fuel operations as an inducement for EL&C to consolidate and relocate their FT. Worth and Chicago operations at Addison Airport, Addison home of their corporate headquarters. This expansion brought 30-35 additional employees to Addison Airport. EL&C is also recognized for spending over $300,000 annually for local

apartments and extended stay facilities to support their international flight training program.

American Flyers received in excess of 123,000 gallons of fuel in 2014, representing nearly 22% of the all AVGAS received during the year. Allowing EL&C to continue their non-public fueling operations is vital to American Flyers continued success.

Addison Airport

Fuel Farm License Agreement

EAGLE LAND & CATTLE CO.

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ADDISON AIRPORT AVIATION BULK FUEL DISPENSING LICENSE AGREEMENT

SECTION 1

DEFINITIONS AND CERTAIN BASIC PROVISIONS

1.1 The following list sets out certain defined terms and certain financial and other information pertaining to this License Agreement ("**License**" and "**Agreement**" are interchangeably used herein to mean one and the same):

(a) "**Licensor**": **TOWN OF ADDISON**, a Texas home-rule municipality.

(b) Licensor's Address: 5300 Belt Line Road, Dallas, Texas 75254.

(c) "**Manager**": URS Energy & Construction, Inc. an Ohio corporation and SAMI Management, Inc. a Texas corporation

(d) Manager's Address: 16051 Addison Road, Suite #220, Addison, Texas 75001

(e) "**Licensee**": **EAGLE LAND & CATTLE CO., a Texas corporation**

(f) Licensee's Address: **16151 Addison Road**
Addison, TX 75001

Primary Contact: Jill Cole Phone Number: 972-407-0295

(g) Licensee's Trade Name: **American Flyers**

(h) Licensee's Guarantor (if applicable, attach Guaranty as an exhibit): ***Not Applicable***

(i) "**Fuel Farm**": Licensor's property located in the Town of Addison, Dallas County, Texas, which property is described on Exhibit "A" and shown on Exhibit "B" attached to this License. With regard to Exhibits "A" and "B", the parties agree that they are attached solely for the purpose of depicting the location of the Fuel Farm and the Fuel Tanks within the Fuel Farm and that no representation, warranty, or covenant is to be implied by any information shown on such exhibits.

(j) "**Fuel Tanks**": The one (1) above-ground storage tank, together with all equipment attached thereto necessary for Licensee's use of the Fuel Tank in accordance with this License, situated in the Fuel Farm and identified on Exhibit "C" attached hereto, with a stipulated total capacity of **15,000** gallons ("**Total Licensee Gallon Capacity**") of fuel, also being known as

Tank #	Designated Fuel Type	Licensee Gallon Capacity	% Of Total Fuel Farm Combined Capacity
#11	100 LL	15,000	4.762%
Total		**15,000**	**4.762%** **

**** The "**Licensee's Proportionate Share**", calculated in accordance with Section 4.10, on the Commencement Date is established to be **4.762** Percent (**4.762%**).

(k) "**Commencement Date**": Beginning November 1, 2014 immediately upon the expiration of the First License (as defined in Section 2 below) without interruption.

(l) "**Term**": The period of time commencing on the Commencement Date and continuing until the last day of the calendar month sixty (60) months from the Commencement Date or the last month

of any properly exercised Term Extension (as described in Exhibit "D" attached hereto), whichever is later (i.e., if Commencement Date is March 10, 2006, the Term shall then expire no later than March 31, 2011 if no Term Extension is exercised).

(m) "**Base Fee**": Annual Consideration for this License equal to the Total Licensee Gallon Capacity, multiplied by **$0.2651** per gallon, payable in equal monthly installments as provided for in Section 4. Notwithstanding the foregoing and without further notice to Licensee, beginning May 1, 2015, the Base Fee shall automatically increase to $.2786 per gallon, payable in equal monthly installments as provided for in Section 4.

(n) "**Additional Fee**": Annual Consideration for this License equal to the Total Licensee Gallon Capacity, multiplied by **$.3290** per gallon, payable in equal monthly installments as provided for in Section 4. In no event shall the Additional Fee ever be adjusted (as provided for herein), to be less than **$.3290** per gallon at anytime over the Term.

(o) "**Fuel Flowage Fee"**: Consideration for this License to receive and dispense aircraft fuel, equal to the Fuel Flowage Rate (as defined in Section 7.1 of this License) for each gallon of aviation fuel received by Licensee during the Term, payable in monthly installments as provided for in Section 7.

(p) "**Security Deposit**": Licensor and Licensee hereby agree as of the Commencement Date of this License, Licensor is holding on account, on behalf of Licensee, the sum of Seven Hundred Forty Two and 63/100 Dollars ($742.63). Licensor and Licensee further agree that Licensee will submit to Licensor upon written demand the amount of Sixteen and 87/100 Dollars ($16.87) to bring the Security Deposit held on account to equal $759.50. Such additional Security Deposit is due and payable upon execution of this License to be held on account on behalf of Licensee by Licensor in accordance with Section 28.4.

(q) "**Permitted Use of Fuel Tanks**": Exclusively for the storage of fuel in support of aeronautical operations of type and grade approved in writing by Licensor in the capacity of a:

(Check only one)

_____ **Public Fixed Based Operator** for retail delivery into aircraft at the Airport, for delivery into aircraft at the Airport owned, leased or otherwise operated by Licensee and for the purpose of fueling ground equipment at the Airport used in the support of Licensee's aeronautical operations at the Airport and for no other purpose, except for any such delivery to aircraft of holders of valid off-airport access permits or as otherwise approved in writing by Licensor.

√ **Non-public Operator** with delivery to aircraft owned or leased by Licensee and for the purpose of fueling ground equipment at the Airport used in the support of Licensee's aeronautical operations and for no other purpose. For the purpose herein, aircraft owned or leased by Licensee shall include, without limitation, all those aircraft listed on Exhibit G attached hereto, which list may be amended from time to time by Lessee. **LICENSEE IS HEREBY EXPRESSLY PROHIBITED FROM DISPENSING AIRCRAFT FUEL TO ANY AIRCRAFT NOT OWNED OR LEASED BY LICENSEE. LICENSEE IS HEREBY EXPRESSLY PROHIBITED FROM DISPENSING AIRCRAFT FUEL TO ANY THIRD-PARTY AIRCRAFT, INCLUDING BUT NOT LIMITED TO, ANY OF LICENSEE'S SUBLESSEES, GUESTS OR INVITEES.**

(r) "**Airport**": The Addison Airport situated in the Town of Addison, Dallas County, Texas.

(s) **"Licensee's Minimum Standard to Operate Fuel Tanks**": Is hereby **45,000** gallons of aviation fuel (excluding diesel and mobile fuel), as described and determined in Section 7.7 below.

(t) "**Includes**" and "**including**": for purposes of this Agreement, are terms of enlargement and not of limitation or exclusive enumeration, and use of the terms does not create a presumption that components not expressed are excluded.

1.2 The following chart is provided as an estimate of Licensee's monthly and annual payment to Licensor as Consideration (as defined in Section 4.1). This chart, however, does not supersede the specific provisions contained elsewhere in this License.

PAYMENTS IN ADVANCE:	**Annual**	**Monthly**
Base Fee (Section 1.1(m) and 4.3)	$**4,179.00**	$**348.25**
Additional Fee (Section 1.1(n) and 4.4)	**$4,935.00**	**$411.25**
Subtotal of Payments in Advance	**$9,114.00**	**$759.50**
PAYMENT IN ARREARS:		
Fuel Flowage Fee **$0.20** x total gallons received during the preceding month (Section 7).	**$TBD**	**$ TBD**
TOTAL MONTHLY CONSIDERATION (Payment In Advance plus Payment In Arrears)	**$TBD**	**$TBD**

SECTION 2

GRANTING CLAUSE

2.1 Whereas, Licensor entered into that certain License Agreement by and between Licensor and Licensee dated and made effective October 1, 2009, which License Agreement subsequently expired October 31, 2014 (the "First License"). The parties hereto agree this Licenses Agreement hereby succeeds the First License in its entirety without interruption; and

2.2 Whereas, Licensor licenses the Fuel Tanks to Licensee, subject to and only upon the terms and conditions set forth in this License and further subject to all laws, codes, ordinances, rules, standards, policies, permits, and regulations now in effect or hereafter adopted, modified, or amended by Licensor or any governmental or quasi-governmental authority having jurisdiction over the Airport or any part thereof, and all requirements, conditions, and standards of any Airport grant or funding or any grant agreements or grant assurances of the Airport now in effect or as hereafter agreed to, adopted, issued, modified, amended, or established. This License is not a lease and grants no interest or estate in the Fuel Farm, including, without limitation, any leasehold interest.

SECTION 3

DELIVERY OF PREMISES

3.1 BY ACCEPTANCE OF THIS LICENSE, LICENSEE HEREBY AGREES THE FUEL FARM IS BEING DELIVERED TO LICENSEE IN GOOD WORKING CONDITION AND UNDERSTANDS THAT THE FUEL TANKS ARE BEING LICENSED TO LICENSEE, ON AN **"AS IS", "WHERE IS"** AND **"WITH ALL FAULTS"** BASIS, WITH LICENSEE ACCEPTING ALL DEFECTS, IF ANY AND LICENSOR MAKES NO REPRESENTATIONS (OTHER THAN AS TO LICENSOR'S OWNERSHIP OF THE FUEL FARM), WARRANTIES OR COVENANTS OF ANY KIND OR NATURE, WHETHER EXPRESS OR IMPLIED, AS TO THE HABITABILITY, FITNESS OR SUITABILITY OF THE FUEL FARM FOR A PARTICULAR PURPOSE, INCLUDING, BUT NOT LIMITED TO (AND LICENSOR HEREBY EXPRESSLY DISCLAIMS THE SAME), ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. LICENSEE ACKNOWLEDGES AND AGREES THAT LICENSEE HAS HAD THE OPPORTUNITY TO INSPECT THE FUEL FARM, AND THAT ANY SUCH INSPECTION HAS BEEN ADEQUATE TO ENABLE LICENSEE TO MAKE LICENSEE'S OWN DETERMINATION REGARDING THE SUITABILITY OR FITNESS OF THE FUEL TANKS AND FUEL FARM. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, LICENSEE HEREBY ASSUMES ALL RISK AND LIABILITY (AND AGREES THAT LICENSOR SHALL

NOT BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL OR OTHER DAMAGE) RESULTING OR ARISING FROM OR RELATING TO THE USE, CONDITION, LOCATION, MAINTENANCE, REPAIR OR OPERATION OF THE FUEL FARM, EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY HEREIN AGREED AND CONSENTED TO BY LICENSOR.

3.2 Licensor shall have the right upon ninety (90) day's prior written notice, to relocate Licensee to another Fuel Tank or Fuel Tanks (the "**Replacement Fuel Tank(s)**") in the Fuel Farm as Licensor deems, at its sole discretion, to be reasonably necessary. In the event of such relocation, the cost of relocating Licensee and the cost of altering the Replacement Fuel Tanks to make them comparable to the current Fuel Tanks shall be borne by Licensor (except for those alterations or improvements made to the Fuel Tanks by Licensee with or without Licensor's prior consent). If Licensor exercises such right of relocation, this License shall continue in full force and effect without any change to the terms or other conditions, except that the Replacement Fuel Tanks shall be deemed substituted in Section 1.1(j) and an appropriate adjustment shall be made to the amount of the Consideration and any Security Deposit.

SECTION 4

PAYMENT OF BASE FEE AND ADDITIONAL FEE

4.1 The Base Fee and all other sums or charges payable by Licensee, including but not limited to Additional Fee and Fuel Flowage Fees and other fees required by this License, are sometimes herein referred to collectively as "**Consideration**". All payments of Consideration are to be paid by corporate, personal or cashier's check or money order. Payments of Consideration are not to be made in cash. The Licensor shall have the same remedies in the case of a default in the payment of Additional Fee and Fuel Flowage Fees and any other Consideration as are available to Licensor in the case of a default in the payment of the Base Fee.

4.2 The Consideration shall be payable to Licensor at Licensor's address set forth in Section 1.1(b) or, such other address designated by Licensor with prior written notice given to Licensee. Consideration shall not be considered paid until actually received by Licensor or Licensor's designee.

4.3 Beginning with the Commencement Date and continuing throughout the Term of this License, Licensee shall pay an annual Base Fee in the amount specified in Section 1.1(m), which Base Fee shall be paid by Licensee (separately or together with other Consideration due and payable) in equal monthly installments as required herein, without any interruption, offset or deduction of any nature. The first such monthly installment shall be due and payable on or before the Commencement Date, and subsequent installments shall be due and payable on or before the first day of each succeeding calendar month during the Term. If the Term of this License commences on a day other than the first day of a calendar month, or terminates on a day other than the last day of a calendar month, the Base Fee installment of such partial month as provided for under this Section 4.3 shall be prorated and such installment or installments so prorated shall be paid in advance (i.e., the quotient that results from dividing the number of calendar days of such partial month included in the Term by the total number of days in that month, then multiplying such quotient by one-twelfth of the Base Fee).

4.4 In addition to the Base Fee and any other Consideration required under this License, Licensee shall pay an Additional Fee which is to be assessed by Licensor annually for each fiscal year of Licensor, but said amount shall never be less than that specified in Section 1.1(n).

4.5 The Additional Fee payable by the Licensee under this License shall be equivalent to Licensee's Proportionate Share of Licensor's cost of operating and maintaining the Common Area and the Replacement Recovery Allowance provided for under Section 4.6. Such costs, hereinafter referred to as the "**Common Area Charge**", may include but not be limited to: all utilities which serve the Fuel Farm including water, sewer, electricity, gas and data/tele-communications; all systems and system components necessary and appurtenant to the operation of the Fuel Farm (i.e., motors, pumps, pipes, hoses, valves, regulators, vents, safety systems, separators, auxiliary power supply); structural systems including roof and canopy repair and maintenance; the costs of any third-party service agreement which may include the repair, maintenance and inspection of the Fuel Farm and any of its systems and system components; painting, cleaning, sweeping, landscaping, inspecting, repairing and replacing the Fuel Farm or any portion thereof; Licensor's reasonable overhead costs for administration and management; and the cost of any Real Estate Charges or Insurance Expenses for which Licensor is not reimbursed pursuant to Section 5, but specifically excluding all expenses paid or reimbursed by Licensee to Licensor pursuant to Section 6.

4.6 Licensor and Licensee agree that Licensor may include in the Additional Fee a reasonable reserve sufficient to pay the costs of the future replacement of the Fuel Tanks and Roofing System (the "**Replacement Recovery Allowance**"), which costs are to be amortized over a twenty-five (25) year and ten (10) year useful lifespan, respectively. Licensor, in its sole discretion, may adjust the monthly amount collected from Licensee for the Replacement Recovery Allowance from time to time to coincide with the industry's generally accepted replacement values for fuel tanks and roofing systems comparable to the Fuel Tanks and Roofing System.

4.7 If the Term of this License commences on a day other than the first day of a calendar month, or terminates on a day other than the last day of a calendar month, the Additional Fee for such partial month shall be pro-rated and paid in advance similarly as provided for the Base Fee under Section 4.3.

4.8 Prior to the commencement of Licensor's fiscal year beginning October 1, 2015 and prior to the commencement of each fiscal year of Licensor thereafter, Licensor shall provide Licensee an estimate of the Additional Fee for such fiscal year. The Additional Fee shall be due and payable by Licensee (separately or together with other Consideration due and payable) in equal monthly installments during such fiscal year, without any interruption, offset or deduction of any nature. The first such monthly installment shall be due and payable on the Commencement Date, and subsequent installments, as adjusted for each fiscal year during the Term, shall be due and payable on or before the first day of each succeeding calendar month during the Term. If the Term of this License commences on a day other than the first day of a calendar month, or terminates on a day other than the last day of a calendar month, the Additional Fee installment of such partial month as provided for under this Section 4.8 shall be prorated and such installment so prorated shall be paid in advance (i.e., the quotient that results from dividing the number of calendar days of such partial month included in the Term by the total number of days in that month, then multiplying such quotient by one-twelfth of the Additional Fee).

4.9 Within one hundred twenty (120) days following the conclusion of the Licensor's fiscal year ending September 30, 2015, and within one hundred twenty (120) days following the conclusion of each fiscal year of Licensor thereafter, or as soon thereafter as reasonably possible, Licensor shall furnish to Licensee an itemized statement reconciling the actual Common Area Charge and other costs for that fiscal year (or part thereof during the Term of this License) against the Additional Fee for such fiscal year or partial fiscal year. Within thirty (30) days of the delivery of such statement to Licensee, Licensee shall pay to Licensor the Licensee's Proportionate Share of the positive difference, if any, resulting from subtracting the Additional Fee paid by Licensee for such fiscal year from the Licensee's Proportionate Share of the actual Common Area Charge and other costs for such fiscal year. If such Additional Fee paid by Licensee exceeds Licensee's Proportionate Share of such Common Area Charge and other costs for such fiscal year or partial fiscal year, Licensor shall have the right, at its option, to credit such excess against the next accruing payment(s) of the Additional Fee due under this License or return such excess to Licensee.

4.10 The Licensee's Proportionate Share is that percentage, at the time when the applicable cost was incurred, determined by dividing the Total Licensee Gallon Capacity by the combined capacity of the fuel tanks in the Fuel Farm, as reasonably determined by Licensor. Licensee's Proportionate Share on the Commencement Date is stipulated by the parties in Section 1.1(j).

4.11 The amount of the actual Common Area Charge and other costs determined by Licensor under Section 4.9 shall be final, conclusive and binding upon the parties hereto on the date which is one hundred-eighty (180) calendar days following the date Licensor provides such itemized statement of reconciliation to Licensee.

4.12 In the event any Consideration due is not actually received by Licensor by the fifth (5th) day after such amount is due, or if any Consideration payment is made by check, which check is returned for insufficient funds, then in addition to the past due amount, immediately on Licensor's demand, Licensee shall pay to Licensor one of the following (the choice to be at the sole option of Licensor unless one of the choices is improper under applicable law, in which event the other alternative, if proper under applicable law, will automatically be deemed to have been selected): (a) a late charge in an amount equal to ten percent (10%) of such late Consideration, in order to compensate Licensor for its administrative and other overhead expenses; or (b) interest on such late Consideration then due at the maximum rate of interest which could legally be charged in the event of a loan of such late Consideration to Licensee (but in no event to exceed 1 ½% per month), such interest to accrue continuously on any unpaid balance of such Consideration due to Licensor by Licensee during the period commencing with the due date of such late Consideration and terminating with the date on which Licensee makes full payment of all such late Consideration. Any such late charge or interest payment shall be payable immediately on demand as additional Consideration. It is hereby agreed that in no event shall any charges permitted under this License, to the extent the

same are considered to be interest under applicable law, ever exceed the maximum lawful rate of interest allowed under applicable law.

4.13 If Licensor fails to receive from Licensee any installment of Base Fee or Additional Fee within ten (10) days after the same is due for any two (2) consecutive calendar months, or if the payment of any Consideration is made by check, which check is returned for insufficient funds twice within any consecutive twelve (12) month period, Licensor may, by giving written notice to Licensee, and in addition to any late charge or interest accruing pursuant to Section 4.12 above, as well as any other rights and remedies accruing pursuant to Section 20 or Section 22 below, or any other provision of this License, at law or in equity, require subsequent Base Fee and Additional Fee installments to be paid quarterly in advance by cashier's check or money order and the delivery of Licensee's corporate or personal check will no longer constitute a payment of such Consideration. Any acceptance of a corporate or personal check for such Consideration shall not be construed as a subsequent waiver of said right to require payment by cashier's check or money order.

4.14 The obligation of Licensee to pay Consideration shall survive the expiration or earlier termination of this License.

SECTION 5

LICENSEE'S RESPONSIBILITY FOR PERSONAL PROPERTY TAXES AND REAL PROPERTY TAXES

5.1 Licensee shall be liable for all taxes, if any, levied against personal property owned by Licensee and placed within or used by Licensee within the Fuel Farm. If any personal property taxes are validly levied against Licensor or Licensor's property and Licensor pays the same, such taxes shall be included in the Common Area Charge.

5.2 If any Real Estate Charges (as defined below) are validly levied against Licensor or Licensor's property and Licensor pays the same, such Real Estate Charges shall be included in the Common Area Charge. All Insurance Expenses (as defined below) related to the Fuel Farm or Licensor's ownership of the Fuel Farm shall be included in the Common Area Charge. "**Real Estate Charges**" shall include, if any, ad valorem taxes, general and special assessments, any tax or excise on fees including Consideration, any tax or charge for governmental services (such as street maintenance or fire protection) and any tax or charge which replaces any of such above-described Real Estate Charges; provided, however, that Real Estate Charges shall not be deemed to include any franchise, estate, inheritance or general income tax. "**Insurance Expenses**" shall include all premiums and other expenses incurred by Licensor for liability insurance, and fire and extended coverage property insurance (plus whatever endorsements or special coverages which Licensor, in Licensor's sole discretion, may consider appropriate) and the amount of any deductible paid by Licensor in connection with any claim thereunder.

SECTION 6

COMMON AREA OF THE FUEL FARM

6.1 The term "**Common Area**" is defined for all purposes of this License as that part of the Fuel Farm which is maintained by Licensor, the expense of which may be incurred by Licensor and included as Common Area Expenses as provided for in Section 4.5, intended for the common use of all licensees of the Fuel Farm and other authorized persons. The Common Area includes all systems that comprise the Fuel Farm and are appurtenant thereto including but not limited to all utilities (water, sewer, electricity, gas and data/tele-communications); all systems and system components necessary to the operation and function of the Fuel Farm (i.e., motors, pumps, pipes, hoses, values, regulators, vents, life and safety systems, separators, auxiliary power, lights, switches, meters, tanks), building infrastructures, parking areas, driveways, landscaping, curbs, loading area, lighting facilities, roofs and the like. Licensor reserves the right to change from time to time the rights and interests to, and the dimensions and location of, the Common Area, as well as the rights and interests to and the dimensions, identities, locations and types of any improvements in the Fuel Farm.

6.2 Licensee shall have the nonexclusive right to use the Common Area as constituted from time to time for the purpose or purposes described in Section 1.1(q), such use to be in common with Licensor, other licensees in the Fuel Farm and other authorized persons subject to such reasonable rules and regulations governing use as Licensor may from time to time prescribe.

SECTION 7

FUEL RECEIPT, REPORTING AND FUEL FLOWAGE FEES

7.1 As additional Consideration under this License, Licensee shall pay to Licensor the Fuel Flowage Fee at the Flowage Fee Rate. The "Flowage Fee Rate" (herein so called) is twenty cents ($0.20) for each gallon of aviation fuel received by Licensee at the Airport during the Term, excluding any fuel not intended for aeronautical use (i.e., diesel and mobile fuel used in connection with ground support operations) during the Term; provided, however, the Town of Addison, Texas reserves the right to increase or decrease the Flowage Fee Rate as, in its sole discretion, may be necessary or reasonably appropriate. This License is conditioned upon the payment of the Fuel Flowage Fee at the Flowage Fee Rate, and such payment is required as set forth in and in accordance with Chapter 14, Article III, Division 2 of the Code of Ordinances of the Town of Addison, Texas (as the same may be amended or superseded). Licensor and Licensee herein agree and acknowledge that any payment made by Licensee of said Fuel Flowage Fee required hereunder is in satisfaction of the Fuel Flowage Fee at the Flowage Fee Rate established by the City Council of the Town of Addison, Texas. Licensor shall give Licensee at least thirty (30) days prior written notice before any change in the Flowage Fee Rate becomes effective.

7.2 The Fuel Flowage Fee shall be paid, with respect to each calendar month during the Term beginning with the month in which the Commencement Date occurs, on or before the fifth (5th) day of the calendar month following such month, without offset or deduction of any nature, at a sum equal to the product of the applicable Flowage Fee Rate multiplied by the total amount of fuel received at the Airport by Licensee during the preceding full or partial calendar month.

7.3 Licensee shall submit to Licensor with each monthly payment of the Fuel Flowage Fee, but in no event later than the fifth (5th) day of each month during the Term, a monthly fuel report (the "**Monthly Report**"), certified as being true and correct by a duly authorized representative of Licensee, showing for the preceding calendar month the amount of fuel received, sold or dispensed.

7.4 On or before the sixtieth (60th) day after the expiration of each calendar year, and the thirtieth (30th) day after the expiration or termination of this License, Licensee shall deliver to Licensor an annual fuel report (the "**Annual Report**"), certified as being true and correct by an authorized representative of Licensee, showing the amount of aviation fuel received, sold or dispensed during the calendar year preceding the date on which the Annual Report is due. In the event any provision of this License or the enforcement thereof by the Licensor, requires accounting of the Fuel Flowage Fee and the payment thereof for a period less than twelve (12) months, such shorter period shall be treated as one (1) year for the purpose of an Annual Report, and such Annual Report shall be delivered to Licensor within thirty (30) days after termination of such shorter period.

7.5 In addition to the information described in Section 7.4, each Monthly Report and each Annual Report shall include any and all additional information required by Licensor, and shall be in the form established by Licensor (which form may be modified, revised, or amended by Licensor in its sole discretion at any time). Each of the Monthly Reports and the Annual Reports are hereinafter referred to as a "**Fuel Report**." In the event Licensor is not satisfied with any Fuel Report provided by Licensee, Licensor shall have the right to cause its auditors or designated representative to inspect Licensee's books and records, wherever located, evidencing and accounting for all aviation fuel received, sold or dispensed in or from the Airport for the reporting period or periods in question. Licensee hereby agrees to make available all books and records, including but not limited to its bills of lading, general ledgers, bank accounts and fuel sales receipts available for inspection during Licensee's normal business hours within five (5) days upon receipt of written demand by Licensor. If it is determined by the auditors that the amount of fuel received, sold or dispensed during such period(s) is understated by more than two percent (2%), the reasonable expense of such audit shall be borne by Licensee. Licensee shall promptly pay to Licensor any deficiency, or Licensor shall promptly refund to Licensee any overpayment, as the case may be, which is established by such audit.

7.6 If Licensee fails to prepare and deliver promptly any Fuel Report or other document required under this License, Licensor may, in addition to exercising any of the remedies provided to Licensor under this License or any law, rule, or regulation, engage a Certified Public Accountant to make an audit of all books and records of Licensee, including (without limitation) Licensee's bank accounts, which in any way pertain to or show the aviation fuel received, sold or dispensed and prepare the Fuel Report or other document that Licensee failed to prepare and

deliver to Licensor. The Fuel Report or other document prepared by such Certified Public Accountant shall be conclusively binding on Licensee, and Licensee shall pay upon demand all expenses of the audit and other services in regard to preparing such Fuel Report or other document.

7.7 Licensee shall continuously during the Term of this License use its best efforts to maximize the quantity of fuel it receives at the Fuel Tanks at the Fuel Farm. Under no circumstance, however, shall Licensee fail to receive at least the following quantities of fuel at the Fuel Farm ("**Licensee's Minimum Standard to Operate Fuel Tanks**"), except as expressly provided under this Section 7.7:

(a) If the Permitted Use of the Fuel Tanks is for a Public Fixed Based Operator as described in Section 1.1(q), Licensee's Minimum Standard to Operate Fuel Tanks is 320,000 gallons of fuel received at the Fuel Farm over each three (3) consecutive calendar-month periods during the Term (the **"Quarterly Minimum Gallons**"); provided, however, that

(i) during the first six (6) calendar months immediately following the Commencement Date, Licensee shall exercise its best efforts to receive no less than 320,000 gallons of fuel, and

(ii) during the first year of this License ("**Licensee's Start-up Period**"), Licensee shall exercise its best efforts to receive no less than 896,000 gallons of fuel (the "**Start-up Period Minimum Gallons**").

Licensee's

(i) failure to receive the Start-up Period Minimum Gallons during the Licensee's Start-up Period (the difference between the Start-up Period Minimum Gallons and the amount of fuel actually received during Licensee's Start-up Period being the "**Start-up Deficiency**"), or

(ii) failure after the Start-up Period to receive at least the Quarterly Minimum Gallons (the difference between the Quarterly Minimum Gallons and the amount of fuel actually received by Licensee during any three (3) month period (following the Start-up Period) that Licensee failed to receive at least the Quarterly Minimum Gallons being the "**Quarterly Deficiency**"),

shall not constitute an event of default under this License if, during the three (3) consecutive calendar months immediately after Licensee receives written notice from Licensor of such failure (the "**FBO Notice Period**", beginning on the first day of the first calendar month following Licensee's receipt of the written notice), Licensee receives in the Fuel Tanks at the Fuel Farm an amount of fuel equal to or greater than the Start-up Deficiency or the Quarterly Deficiency, as the case may be, in addition to the Quarterly Minimum Gallons for the FBO Notice Period.

(b) If the Permitted Use of the Fuel Tanks is for a Non-public Operator as described in Section 1.1(q), Licensees' Minimum Standard to Operate Fuel Tanks is 45,000 gallons received at the Fuel Farm over each six (6) consecutive calendar-month period during the Term (the "**Semi-annual Minimum Gallons**"); provided, however, Licensee's failure to receive at least the Semi-annual Minimum Gallons (the difference between the Semi-annual Minimum Gallons and the amount of fuel actually received by Licensee during any six (6) month period that Licensee failed to receive at least the Semi-annual Minimum Gallons being the "**Semi-annual Deficiency**") shall not constitute an event of default under this License if, during the six (6) consecutive calendar months immediately after Licensee receives written notice from Licensor of such failure (the "**Non-public Notice Period**", beginning on the first day of the first calendar month following Licensee's receipt of the written notice), Licensee receives in the Fuel Tanks at the Fuel Farm an amount of fuel equal to or greater than the Semi-annual Deficiency, in addition to the Semi-annual Minimum Gallons for the Non-public Notice Period.

(c) Licensee's cure rights under Section 20.1 shall not apply to the occurrence of any failure to satisfy the Licensee's Minimum Standard to Operate Fuel Tanks under this Section 7.7. Except as provided for in this Section 7.7, any such failure to perform under this Section 7.7 shall constitute an immediate event of default entitling Licensor to exercise its remedies under this License, at law, in equity, or otherwise.

(d) Licensor reserves the right, in its sole discretion, to decrease the Quarterly Minimum Gallons or the Semi-Annual Minimum Gallons, or temporarily suspend or waive, and then reinstitute, the Licensee's Minimum Standard to Operate Fuel Tanks, as Licensor may deem to be necessary or appropriate, in its sole discretion, based upon but not limited to, a *force majeure* event that has prevented Licensee from receiving the minimum quantity of fuel required under this Section 7.7.

(e) Licensor reserves the right, in its sole discretion, to uniformly increase the Quarterly Minimum Gallons or the Semi-Annual Minimum Gallons for all Licensees of the same class (e.g. Public or Non-public Fueler) provided Licensor gives each Licensee within the same respective class three (3) years' prior written notice of the increase.

SECTION 8

USES AND CARE OF THE FUEL FARM

8.1 Licensee shall commence all of its fueling operations at the Fuel Farm on or immediately after the Commencement Date and shall perform such operations in a commercially reasonable manner so as to produce the maximum amount of sales from the Fuel Tanks.

8.2 Licensee shall not use the Fuel Farm or the Fuel Tanks for any purpose other than the purpose authorized by Section 1.1(q). Licensee, without Licensor's prior written consent, shall not store anything in the Fuel Tanks, other than the designated fuel type and grade of fuel authorized in Section 1.1(j), or use the Fuel Farm for any purpose which creates a risk of release of toxic or otherwise Hazardous Substances or increases the insurance premium cost for the Fuel Farm or the Airport or invalidates any insurance policy carried on the Fuel Farm or the Airport, other than the ordinary risk associated with the prudent use of any substantially similar aircraft fuel farm. All fuel kept, stored or maintained in the Fuel Tanks by Licensee, and all other property of Licensee that is maintained or used at the Fuel Farm shall be delivered, kept, stored, maintained, transported, dispensed and otherwise used at Licensee's sole risk. Without limiting the generality of the foregoing, Licensee covenants and agrees that Licensee shall not, nor shall Licensee allow or permit any of Licensee's owners, officers, employees, agents, contractors or other representatives, or any other person for whom Licensee may be responsible or liable (Licensee, together with such other persons and entities being sometimes hereinafter collectively referred to as "**Licensee Parties**"), to cause, directly or indirectly, any release or discharge of any Hazardous Substances (as defined in Section 8.4) at the Fuel Farm or any other portion of the Airport or premises adjacent thereto. Without limiting the generality of the foregoing, Licensee further covenants and agrees that Licensee shall not, nor shall Licensee allow or permit any of the Licensee Parties to, bring into, maintain upon, generate, use, store, dispense or dispose of any Hazardous Substances in or about the Fuel Farm or any other portion of the Airport or premises adjacent thereto, unless such Hazardous Substances are maintained upon, generated, used, stored, dispensed or disposed of only (a) in such quantities as are reasonably necessary for Licensee's operations, (b) in accordance with the standards and instructions of the producer and distributor of such Hazardous Substances and, if fuel, the manufacturer of the Fuel Tanks and in compliance with all applicable laws, and (c) in such a manner as would prevent a release or discharge thereof in violation of applicable laws. Upon request of Licensor at any time, Licensee shall provide Licensor with a written list, certified to by Licensee in writing, identifying any Hazardous Substances then maintained upon, generated, used, stored, dispensed or disposed of at the Fuel Farm or elsewhere at the Airport or premises adjacent thereto by Licensee and the approximate quantity of same, together with a representation that neither Licensee nor any other Licensee Parties have released or discharged any Hazardous Substances in or about the Fuel Farm or any other portion of the Airport or adjacent premises in violation of these provisions, all certified as being true and correct by a duly authorized representative of Licensee. Upon any violation of the foregoing covenants, Licensee shall be obligated, at Licensee's sole cost, to immediately cease such violation and, if any Hazardous Substance has been released or discharged, remediate, clean-up and remove from the Fuel Farm or other portions of the Airport or premises adjacent thereto all such Hazardous Substances; provided, however, that any such remediation, clean-up and removal shall be undertaken only after written notice of the release or discharge has been given by Licensee to Licensor and Licensor has approved the method of remediation, clean-up and removal. Notwithstanding the proceeding or any other provision of this Agreement, the introduction, receipt, delivery, creation, use, storage, dispensing or disposal of any Hazardous Substances at the Fuel Farm or elsewhere at the Airport or premises adjacent thereto, and any remediation, clean-up or removal of released or discharged Hazardous Substances, by or on behalf of Licensee or any other Licensee Parties shall be conducted to the satisfaction of Licensor.

8.3 **INDEMNITY. LICENSEE SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE LICENSOR, ITS OFFICIALS, OFFICERS, EMPLOYEES, AGENTS AND OTHER REPRESENTATIVES, AND THEIR RESPECTIVE HEIRS, SUCCESSORS AND ASSIGNS (TOGETHER, "LICENSOR INDEMNIFIED PERSONS"), FROM AND AGAINST ANY AND ALL CLAIMS, LIABILITIES, LOSSES, JUDGMENTS, DAMAGES (INCLUDING DIRECT, INDIRECT, SPECIAL, CONSEQUENTIAL, AND OTHER DAMAGES), ACTIONS, FINES, PENALTIES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COSTS OF DEFENSE) (TOGETHER, "INDEMNIFIED DAMAGES") INCURRED BY LICENSOR OR OTHER SUCH LICENSOR INDEMNIFIED PERSONS, OR ANY OF THEM, AS A RESULT OF, ARISING OUT OF, OR IN CONNECTION WITH ANY BREACH OF ANY PROVISION OF SECTION 8.2 OR ANY ACT OR OMISSION OF LICENSEE OR OF ANY OF LICENSEE PARTIES UNDER, RELATED TO, OR IN CONNECTION WITH THE RECEIPT, DELIVERY, STORAGE, MAINTENANCE, TRANSPORTATION, DISPENSING, OR OTHER USE OF ANY HAZARDOUS SUBSTANCES, INCLUDING ANY INDEMNIFIED DAMAGES CAUSED BY THE NEGLIGENCE OF THE LICENSOR OR ANY OF THE OTHER LICENSOR INDEMNIFIED PERSONS, BUT LICENSEE SHALL HAVE NO DUTY TO INDEMNIFY LICENSOR OR ANY LICENSOR INDEMNIFIED PERSON FOR INDEMNIFIED DAMAGES CAUSED BY THE SOLE NEGLIGENCE OF LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON, UNLESS THE INSURANCE OF LICENSEE COVERS THE INDEMNIFIED DAMAGES CAUSED BY SUCH SOLE NEGLIGENCE.**

8.4 As used in this Section 8, "**Hazardous Substances**" shall include, without limitation, any and all hazardous or toxic substances, materials, contaminants, pollutants, or wastes pertaining to health or the environment as are identified, defined or listed elsewhere in any applicable local, state and federal ordinances, rules, regulations, laws and statutes, as the same may hereafter be passed, issued, enacted and/or amended, such as asbestos, petroleum products, hazardous materials, hazardous wastes and hazardous and/or toxic substances as defined or used in the Comprehensive Environmental Response, Compensation And Liability Act Of 1980, as amended (42 U.S.C. §9601 Et Seq.) and The Resource Conservation And Recovery Act, as amended (42 U.S.C. §6901 Et Seq.).

8.5 Licensee shall not, nor shall Licensee permit or allow any other Licensee Parties to, (a) cause any damage or waste at or about the Fuel Farm; (b) overload the Fuel Tanks; (c) cause any objectionable or unpleasant odors to emanate from the Fuel Tanks, except odors ordinarily emanating from a substantially similar aircraft fuel farm; (d) take any other action which would constitute a nuisance or would disturb or endanger Licensor, its employees, agents and other representatives, other licensees of the Fuel Farm, other occupants or users of the Airport or any neighbors of the Airport; or (e) permit any unlawful practice to be carried on or committed on the Fuel Farm.

8.6 Licensee shall procure, at its sole expense, any permits and licenses required for the use of the Fuel Farm including, without limitation, any permit or license required by the fire department of Licensor. At Licensor's request, Licensee shall deliver to Licensor copies of all such permits and licenses.

8.7 Only authorized and properly trained personnel of Licensee shall use the Fuel Farm pursuant to Licensee's rights under this License. In addition, if Licensee's business makes it advisable for Licensee to take any extra precautions at the Fuel Farm, Licensee shall take all such extra precautions.

SECTION 9

MAINTENANCE AND REPAIR OF FUEL TANKS AND OTHER EQUIPMENT

9.1 During the Term, Licensee, at Licensee's sole expense, shall maintain, repair and replace, as reasonably and prudently required, all equipment at the Fuel Farm diagonally cross-hatched on Exhibit "F" attached hereto (collectively, the "**Licensee Equipment**"). Without limiting the generality of the forgoing, the Licensee Equipment shall include all fuel loading and unloading equipment, such as hoses, couplings, swivels and such devices used in connection with the Fuel Tanks, and all filters, separators or other filtering medium or such devices related to the Fuel Tanks. With regard to Exhibit "F", the parties agree that no representation, warranty, or covenant is to be implied by Exhibit "F". If any such maintenance, repairs or replacements required to be made by Licensee are not made within ten (10) days after written notice delivered to Licensee by Licensor (except in the event of an emergency, in which case such repairs, replacements, changes or upgrades shall be required to be made by Licensee, as quickly as reasonably possible under the circumstances), then Licensor may perform such maintenance, repairs and replacements, and Licensee shall pay to Licensor, on demand, the costs of such maintenance, repairs and replacements, plus 15% for Licensor's overhead, plus interest on such sums). If Licensor elects to perform such

maintenance, repairs or replacements, Licensor shall have no liability to Licensee for any loss or damage that may result to Licensee's business by reason of the same.

9.2 Except for the obligations of Licensee to be responsible for the continued maintenance, repairs and replacements of the Licensee Equipment described in Section 9.1 and Licensee's obligations under Section 9.3, and subject to the other obligations of Licensee under this License, Licensor shall at all times keep the Fuel Farm in good condition and repair generally in keeping with the standards of Licensor for the Airport and prevailing industry standards. Licensor, however, shall not be required to make any repairs occasioned by the act, omission, damage or negligence of Licensee, its employees, agents or other representatives, or any other person entering or using the Fuel Farm allegedly through the rights granted to Licensee under this License; and the provisions of the previous sentence are expressly recognized to be subject to the provisions of Section 15 and Section 16 of this License. In the event that the Fuel Tanks or other parts of the Fuel Farm should become in need of repair required to be made by Licensor hereunder, Licensee shall give immediate written notice thereof to Licensor and Licensor shall have a commercially reasonable time after receipt of such written notice in which to make such repairs. The costs of Licensor incurred pursuant to this Section 9.2 shall be included in the Common Area Charge.

9.3 During the Term, Licensee shall keep the Fuel Tanks, and cooperate with Licensor and other licensees of the Fuel Farm in keeping the Fuel Farm sidewalks, service-ways and loading areas, neat, clean and free from debris.

SECTION 10

ALTERATIONS

10.1 Licensee shall not make any installations, alterations or replacements of improvements, fixtures or equipment at the Fuel Farm without the prior written consent of Licensor, which consent may be withheld in Licensor's sole discretion. Without limiting the generality of the immediately preceding sentence, any installation, alteration or replacement consented to by Licensor must be effected strictly in accordance with Licensor's instructions and shall not unreasonably interfere with or disrupt the activities of Licensor or any other licensees of fuel tanks at the Fuel Farm. Licensee shall, promptly following the completion of any installations, alterations or replacements consented to by Licensor, deliver to Licensor "as built" plans and specifications with respect to any such installations, alterations and replacements. Any permitted installation, alteration or replacement which may be made or installed by Licensee in connection with the Fuel Farm shall remain upon and become the property of Licensor on completion of such installation, alteration or replacement; provided, however, that Licensor may request their removal upon the expiration or earlier termination of this License, in which event Licensee shall remove the same and restore the Fuel Farm to its condition immediately preceding such installation, alteration or replacement, ordinary wear and tear excepted and subject to Sections 9.2, 15 and 16, at Licensee's sole cost and expense. In the event that Licensee fails to remove such installation, alteration and replacement from the Fuel Farm within ten (10) days after the date of expiration or earlier termination of this License, Licensor may, at its option, keep or dispose of the same as Licensor shall determine at its sole discretion, without any liability or obligation to Licensee whatsoever. Licensee shall be obligated to reimburse Licensor for any costs incurred by Licensor in removing and disposing of such installation, alteration and replacement, and restoring the Fuel Farm to its original condition immediately preceding such construction, ordinary wear and tear excepted and subject to Sections 9.2, 15 and 16.

10.2 **INDEMNITY.** All construction work done by Licensee on the Fuel Farm shall be performed in a good and workmanlike manner, lien-free and in compliance with all applicable laws, and in such manner as to cause a minimum of interference with other construction in progress at the Fuel Farm or the use of the Fuel Farm by Licensor or any other licensees of fuel tanks at the Fuel Farm. **LICENSEE AGREES TO DEFEND AND INDEMNIFY LICENSOR AND LICENSOR INDEMNIFIED PERSONS AND HOLD LICENSOR AND THE OTHER LICENSOR INDEMNIFIED PERSONS HARMLESS FROM AND AGAINST ANY INDEMNIFIED DAMAGES RESULTING FROM SUCH WORK, INCLUDING ANY INDEMNIFIED DAMAGES CAUSED BY THE NEGLIGENCE OF THE LICENSOR OR ANY OF THE OTHER LICENSOR INDEMNIFIED PERSONS, BUT LICENSEE SHALL HAVE NO DUTY TO INDEMNIFY LICENSOR OR ANY LICENSOR INDEMNIFIED PERSON FOR INDEMNIFIED DAMAGES CAUSED BY THE SOLE NEGLIGENCE OF LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON, UNLESS THE INSURANCE OF LICENSEE COVERS THE INDEMNIFIED DAMAGES CAUSED BY SUCH SOLE NEGLIGENCE.**

10.3 In the event Licensee uses a general contractor to perform any installations, alterations or replacements on the Fuel Farm, Licensee shall, prior to the commencement of such work, require said general contractor to execute and deliver to Licensor a waiver and release of lien (in form and content reasonably satisfactory to Licensor) of any and all claims against Licensor and liens against the Fuel Farm to which such contractor might at any time be entitled, and to execute and record a Bond to Pay Claims (the "**Bond**") in accordance with Chapter 53, Subchapter I of the Texas Property Code, as such may be amended, superseded or replaced from time to time, and shall deliver a copy of the recorded Bond to Licensor. The delivery of the waiver and release of lien and the Bond within the time period set forth above shall be a condition precedent to Licensee's ability to enter on and begin its installation, alteration or replacement work on the Fuel Tanks and, if applicable, to any reimbursement from Licensor for Licensee's work.

10.4 In the event that Licensor elects to modify all or any portion of the Fuel Farm, Licensee will cooperate with Licensor during such modification, including Licensee's tolerating temporary inconveniences.

SECTION 11

ACCESS TO FUEL FARM, FUEL TANKS AND EQUIPMENT

11.1 Licensor shall have the right to enter upon the Fuel Farm at any time for any purpose consistent with this License.

11.2 Neither Licensee nor any Licensee Parties shall enter onto the roof of the Fuel Farm.

11.3 Neither Licensee nor any Licensee Parties shall use or manipulate in any manner any fuel tanks at the Fuel Farm (other than the Fuel Tanks), or any equipment used solely therewith.

11.4 Licensor shall have no liability to Licensee for any loss of access by Licensee to the Fuel Farm or the Fuel Tanks by reason of any security requirement, legal requirement, casualty, accident, condemnation, alteration, maintenance, repair, strike, act of God, force majeure, or cause beyond the reasonable control of Licensor.

SECTION 12

UTILITIES

12.1 Failure by Licensor to furnish, or the interruption or termination of utility services in whole or in part, resulting from any security requirement, legal requirement, casualty, accident, condemnation, alteration, maintenance, repair, strike, act of God, force majeure, or cause beyond the reasonable control of Licensor, shall not render Licensor liable in any respect nor be construed as a breach of this License, nor work as an abatement of the Consideration, nor relieve Licensee from the obligation to fulfill any covenant or agreement hereof. Should any of the equipment or machinery used in providing such services for any cause cease to function properly, Licensor shall use reasonable diligence to repair such equipment or machinery but, except as otherwise expressly provided herein, Licensee shall have no claim for offset, abatement of the Consideration, damages or termination of this License on account of an interruption in service thereby or resulting therefrom.

SECTION 13

INSURANCE COVERAGE

13.1 Licensor shall procure and maintain throughout the Term of this License a policy or policies of insurance, causing the Fuel Farm to be insured under standard fire and extended coverage insurance and liability insurance or that which is typically available to a municipality for such purposes in the State of Texas (plus whatever

endorsements or special coverages Licensor, at its sole and reasonable discretion, may consider appropriate), to the extent necessary to comply with Licensor's obligations pursuant to the provisions set forth in this License.

13.2 Licensee shall procure and maintain throughout the Term a policy or policies of insurance, at its sole cost and expense to meet or exceed the requirements specified in the then prevailing "Addison Airport Minimum Standards and Requirements For Commercial Aeronautical Service Providers" (the "**Minimum Licensee Insurance Standards**") which may be amended or modified by Licensor from time to time.

13.3 In the event no Minimum Licensee Insurance Standards are known to be in effect, Licensee shall procure and maintain throughout the Term, at the minimum, at its sole cost and expense:

(a) a policy or policies of insurance causing the Licensee Equipment and Licensee's personal property at the Fuel Farm to be insured under standard Special Form or similar property insurance;

(b) business automobile liability insurance for all owned and non-owned automobiles with a combined single limit of $5,000,000 for bodily injury and property damage; and

(c) commercial general liability insurance insuring Licensee on an occurrence basis against all claims, demands or actions arising out of or in connection with Licensee's use or occupancy of the Fuel Farm, or by the condition of the Fuel Farm

(d) a minimum of $1,000,000 in Pollution Liability Insurance coverage

(e) other such insurance in such amounts and against such other insurable hazards, which at the time are commonly obtained within the aeronautical industry.

Licensee's commercial general liability policy or policies must provide coverage with a combined single limit of not less than $5,000,000 per occurrence (with no offset for occurrences on property other than the Fuel Tanks), and Licensee's insurance policy or policies must list Licensor as a loss payee (as to the Special Form or similar property insurance) as to Licensor's interest in any of Licensee's property and as an "Additional Insured" as to all other insurance including, without limitation, the commercial general liability insurance, which shall also name as Additional Insured's any management personnel or company retained by Licensor to operate or manage the Fuel Farm and/or the Airport.

13.4 All such insurance must be written by insurance companies and on forms and with deductibles satisfactory to Licensor, and Licensee's insurance shall be primary (with any policies of Licensor being excess, secondary and non-contributory). If it becomes customary or otherwise a prudent business practice within Licensee's industry to provide insurance policies with limits higher than the foregoing limits or with coverages other than the foregoing coverages, then Licensee will provide Licensor with such additional insurance as may be requested by Licensor. Licensee also agrees to provide and maintain adequate workers' compensation insurance insuring against and satisfying Licensee's obligations and liabilities under the workers' compensation laws of the State of Texas in no less than statutorily required amounts, covering Licensee's agents and employees in the Fuel Tanks, and containing a waiver of subrogation in favor of Licensor.

13.5 **INDEMNITY. LICENSEE HEREBY INDEMNIFIES, AGREES TO HOLD HARMLESS AND DEFEND LICENSOR AND THE OTHER LICENSOR INDEMNIFIED PERSONS FROM AND AGAINST ANY AND ALL INDEMNIFIED DAMAGES SUFFERED BY LICENSEE OR ANY OF LICENSEE'S EMPLOYEES, AGENTS OR OTHER REPRESENTATIVES AT OR ABOUT THE FUEL FARM WHICH WOULD HAVE BEEN OR IS COVERED BY AN APPROPRIATE WORKERS' COMPENSATION INSURANCE POLICY (AS MAY BE REQUIRED BY LAW TO BE CARRIED BY LICENSEE) AND/OR EMPLOYER'S LIABILITY INSURANCE POLICY, INCLUDING ANY INDEMNIFIED DAMAGES CAUSED BY THE NEGLIGENCE OF THE LICENSOR OR ANY OF THE OTHER LICENSOR INDEMNIFIED PERSONS, BUT LICENSEE SHALL HAVE NO DUTY TO INDEMNIFY LICENSOR OR ANY LICENSOR INDEMNIFIED PERSON FOR INDEMNIFIED DAMAGES CAUSED BY THE SOLE NEGLIGENCE OF LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON, UNLESS THE INSURANCE OF LICENSEE COVERS THE INDEMNIFIED DAMAGES CAUSED BY SUCH SOLE NEGLIGENCE.**

13.6 Licensee shall obtain a written obligation on the part of each insurance company to notify Licensor at least thirty (30) days prior to cancellation, non-renewal or modification of all such insurance described above. Such policies or duly executed certificates or other evidence of such insurance (in any event in form and content reasonably satisfactory to Licensor) shall be delivered to Licensor prior to the Commencement Date. Renewals of insurance shall be delivered to Licensor at least thirty (30) days prior to the expiration of the respective policy term(s). If Licensee should fail to comply with the foregoing requirement relating to insurance, Licensor may obtain

such insurance on Licensee's behalf, and Licensee shall pay to Licensor on demand as additional Consideration the premium cost plus interest on such additional Consideration at the maximum contractual rate which could legally be charged in the event of a loan of such late Consideration to Licensee (but in no event to exceed 1 ½% per month).

SECTION 14

WAIVER OF LIABILITY; MUTUAL WAIVER OF SUBROGATION

14.1 Licensor and its agents, employees or authorized representatives shall not (a) be liable to Licensee, nor to Licensee's officers, owners, employees, representatives, contractors, agents or visitors, nor to any other person whomsoever, for any injury to person (including, without limitation, death) or damage to or destruction of property caused by the Fuel Tanks or other portion of the Fuel Farm becoming out of repair or by defect or failure of any structural element of the Fuel Tanks or of any equipment, pipes or wiring, or broken glass, or by the backing up of drains, or by fuel, gas, water, steam, electricity or oil leaking, escaping or flowing into the Fuel Tanks or the Fuel Farm, except where due to Licensor's willful acts or gross negligence in failing to maintain or make repairs required to be made hereunder, after the expiration of a reasonable time after written notice to Licensor of the need for such repairs and Licensor failed to remedy said condition; and (b) be liable to Licensee, nor to Licensee's officers, owners, employees, representatives, contractors, agents or visitors, nor to any other person whomsoever, for any loss or damage that may be occasioned by or through the acts or omissions of other licensees of fuel tanks at the Fuel Farm or of any other persons whomsoever, except for the willful misconduct or gross negligence of authorized employees, agents or authorized representatives of Licensor.

14.2 **INDEMNITY.** Licensor shall not be liable to Licensee, any Licensee Parties or any other person for (a) any injury to person (including, without limitation, death) or damage to or destruction of property on or about the Fuel Farm or any other portion of the Airport or premises adjacent thereto caused by the act or omission of Licensee, any Licensee Parties or any other person using the Fuel Farm or any equipment used in connection therewith under the express or implied invitation of Licensee; or (b) events, acts or occurrences arising out of any breach or default by Licensee in the performance of its obligations under this License. **LICENSEE AGREES TO AND SHALL DEFEND AND INDEMNIFY LICENSOR AND THE OTHER LICENSOR INDEMNIFIED PERSONS AND HOLD LICENSOR AND THE OTHER LICENSOR INDEMNIFIED PERSONS HARMLESS FROM AND AGAINST ANY AND ALL INDEMNIFIED DAMAGES ARISING OUT OF SUCH INJURY, INDEMNIFIED DAMAGES OR DESTRUCTION, OR INDEMNIFIED DAMAGES CAUSED BY (I) LICENSEE'S PERFORMANCE OF THIS AGREEMENT, (II) THE USE OF THE FUEL FARM, FUEL TANKS, OR ANY OTHER PORTION OF THE AIRPORT OR PROPERTY ADJACENT THERETO BY LICENSEE OR BY ANY LICENSEE PARTIES; (III) THE CONDUCT OF LICENSEE'S BUSINESS OR ANYTHING ELSE DONE OR PERMITTED BY LICENSEE (OR ANY OF LICENSEE PARTIES) TO BE DONE IN OR ABOUT THE FUEL FARM, FUEL TANKS, OR ANY OTHER PORTION OF THE AIRPORT OR PROPERTY ADJACENT THERETO; (IV) ANY MISREPRESENTATION OR BREACH OF WARRANTY BY LICENSEE UNDER THIS AGREEMENT; OR (V) WITHOUT LIMITING ANY OF THE FOREGOING, ANY ACT OR OMISSION OF LICENSEE OR OF ANY OF LICENSEE PARTIES UNDER, RELATED TO, OR IN CONNECTION WITH THIS AGREEMENT, INCLUDING ANY INDEMNIFIED DAMAGES CAUSED BY THE NEGLIGENCE OF THE LICENSOR OR ANY OF THE OTHER LICENSOR INDEMNIFIED PERSONS, BUT LICENSEE SHALL HAVE NO DUTY TO INDEMNIFY LICENSOR OR ANY LICENSOR INDEMNIFIED PERSON FOR INDEMNIFIED DAMAGES CAUSED BY THE SOLE NEGLIGENCE OF LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON, UNLESS THE INSURANCE OF LICENSEE COVERS THE INDEMNIFIED DAMAGES CAUSED BY SUCH SOLE NEGLIGENCE.**

14.3 Licensor and Licensee each hereby waives all right of recovery against the other, and releases the other from any and all liability or responsibility to the other, or to any other party claiming through or under them by way of subrogation or otherwise, for any loss or damage to property arising from any cause that is insurable under standard Special Form or similar property insurance or which is required herein to be insured thereby (and each party agrees to obtain an endorsement to that effect in their respective Special Form or similar property insurance policies), **EVEN IF SUCH LIABILITY OR LOSS IS CAUSED BY THE NEGLIGENCE OF THE OTHER PARTY**; provided, however, that this mutual waiver and release is applicable only with respect to any loss or damage occurring during the time when such Special Form or similar property insurance policies which are readily available in the marketplace contain a clause or permitted endorsement to the effect that any such waiver and release does not adversely affect or impair the policy or the right of the insured party to proceeds under such policy and further provided that this waiver and release shall be applicable only to the extent that insurance proceeds are

actually paid and collected to cover for such loss or damage and shall not be applicable to the portion of any such loss or damage which is not reimbursed by the damaged party's insurer because of the “deductible” in the damaged party's insurance coverage. The release specified in this Section 14.3 is cumulative with any releases or exculpations, which may be contained in any other provisions of this License.

SECTION 15

DAMAGES BY CASUALTY

15.1 Licensee shall give immediate written notice to the Licensor of any damage caused to the Fuel Farm or any Fuel Tank by fire or other casualty.

15.2 In the event that the Fuel Farm or any Fuel Tank is damaged or destroyed by fire or other casualty insurable under standard fire and extended coverage insurance, and Licensor does not elect to terminate this License as hereinafter provided, Licensor shall proceed with reasonable diligence and at its sole cost and expense (to the extent that insurance proceeds are available therefore, and provided that Licensee shall reimburse Licensor for any such costs and expenses for which Licensee may be liable under this License) to rebuild and repair the Fuel Farm or any Fuel Tank. In the event (a) the Fuel Farm or any Fuel Tank is destroyed or substantially damaged by a casualty not covered by Licensor's insurance or (b) the Fuel Farm or any Fuel Tank is destroyed or rendered unusable (as determined by Licensor), then Licensor may elect either to terminate this License as to all Fuel Tanks or just the damaged, destroyed or unusable Fuel Tank(s) or to proceed to rebuild and repair the Fuel Farm or any damaged, destroyed or unusable Fuel Tank. Licensor shall give written notice to Licensee of any such election within sixty (60) days’ after the occurrence of such casualty and, if Licensor elects to rebuild and repair, shall proceed to do so with commercially reasonable diligence.

15.3 Licensor's obligation to rebuild and repair under this Section 15 shall, in any event, be limited to restoring the Fuel Farm or any Fuel Tank to substantially the condition in which the same existed prior to such fire or other casualty, exclusive of any Licensee Equipment, alterations, additions, improvements, fixtures and other equipment installed by Licensee. Licensee agrees that promptly after completion of such work by Licensor, Licensee will proceed with reasonable diligence and at Licensee's sole cost and expense to restore, repair and replace all Licensee Equipment and all alterations, additions, improvements, fixtures, signs and equipment installed by Licensee.

15.4 Licensee agrees that during any period of reconstruction or repair of the Fuel Farm or any Fuel Tank pursuant to this Section 15, it will continue the operation of its business within the Fuel Farm to the extent practical.

SECTION 16

EMINENT DOMAIN

16.1 If less than all of the Fuel Farm should be taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain or by private purchase in lieu thereof, at Licensor's election, this License shall terminate and Licensor shall credit Licensee for unearned Consideration, if any, effective on the date physical possession is taken by the condemning authority.

16.2 If less than all of the Fuel Farm should be taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain or by private purchase in lieu thereof, and Licensor elects not to terminate this License, Licensor shall make all necessary repairs or alterations to the remaining Fuel Farm and, promptly after completion of such work by Licensor, Licensee shall restore, repair and replace all Licensee Equipment and all alterations, additions, improvements, fixtures, signs and equipment installed by Licensee.

16.3 If all of the Fuel Farm should be taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain or by private purchase in lieu thereof, this License shall terminate effective on the date physical possession is taken by the condemning authority.

16.4 All compensation awarded for any taking (or the proceeds of private sale in lieu thereof) of the Fuel Farm shall be the property of Licensor, and Licensee hereby assigns its interest in any award related to such taking to Licensor.

16.5 Licensee agrees that during any period of reconstruction or repair of the Fuel Farm or any Fuel Tank pursuant to this Section 16, it will continue the operation of its business within the Fuel Farm to the extent practical.

SECTION 17

ASSIGNMENT AND SUBLETTING

17.1 Licensee shall not and has no authority to assign or in any manner transfer this License or any interest herein, sublicense its interest under this License or any part thereof, or grant any license, concession or other right of use of any portion of the Fuel Farm without Licensor's prior written consent, which may be withheld in Licensor's sole discretion. Any attempted assignment or transfer, or any attempt to grant any sublicense, concession or other right of use, in violation of the preceding sentence shall be null and void, *ab initio*. In determining whether or not to grant its consent, Licensor shall be entitled to take into consideration all factors including, without limitation, Licensor's desired Licensee mix, the reputation and net worth of the proposed transferee, purported intent and use of the facilities by the proposed transferee (even beyond what is specified in Section 1.1(q)) and the then-current market conditions (including market consideration). In addition, Licensor shall also be entitled to charge an assignment fee for processing and considering, but not necessarily consenting to, Licensee's request. Consent by Licensor to one or more assignments, transfers, or sublicenses shall not constitute a novation or waiver of Licensor's rights as to any subsequent assignments, transfers, and sublicenses. If Licensor consents, any unexercised extension options of Licensee described on Exhibit "D" attached hereto shall be deemed null and void, *ab initio*, and of no force or effect.

17.2 If Licensee is a corporation, partnership or other entity (other than a publicly traded entity), and if at any time during the Term of this License the person or persons who own a majority of either the outstanding voting rights or controlling interests of Licensee at the time of the execution of this License cease for any reason to own a majority of such voting rights or controlling interests (except as a result of transfers by devise or descent) of Licensee, the loss of a majority of such voting rights or controlling interests shall be deemed an assignment of this License by Licensee and, therefore, subject in all respects to the provisions of Section 17.1 above. For purposes hereof, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities or partnership interests, by contract, or otherwise. Licensee shall give to Licensor, upon Licensor's request, a list of such person or persons.

17.3 Any assignee or other transferee of an interest in and to this License shall be deemed, by acceptance of such assignment or other transfer or by use of the Fuel Farm, to have assumed all of the obligations set forth in or arising under this License. Such assumption shall be effective as of the earlier of the date of such assignment or other transfer, or the date on which the assignee or other transferee commences use of the Fuel Farm.

17.4 Notwithstanding any assignment, other transfer or subletting, Licensee shall at all times remain fully responsible and liable for the payment of the Consideration herein specified and for compliance with all of its other obligations under this License (even if future assignments, transfers and sublicenses occur subsequent to the assignment, transfer or sublicensing by Licensee, and regardless of whether or not Licensee's approval has been obtained for such future assignments, transfers and sublicensing). In the event that for any reason any assignment or transfer, or sublicense, concession or other right of use of any portion of the Fuel Farm, prohibited by this Section 17 is consummated without the prior written consent of Licensor, or if an assignment, sublicense or other transfer by Licensee is permitted by Licensor, and the consideration paid and/or payable by an assignee, transferee, sublicensee or other user by reason of this License exceeds the Consideration paid payable under this License, then Licensee shall be bound and obligated to pay Licensor all such excess consideration within ten (10) days following receipt thereof by Licensee from such assignee, transferee, sublicensee or other user. Finally, in the event of any assignment or transfer, or sublicense, concession or other right of use of any portion of the Fuel Farm, whether permitted by Licensor or otherwise consummated without Licensor's consent, it is understood and agreed that all consideration paid to Licensee by the assignee, transferee, sublicensee or other user shall be received by Licensee in trust for Licensor to be forwarded immediately to Licensor without offset or reduction of any kind, and upon

election by Licensor such consideration shall be paid directly to Licensor as specified in Section 4.2 of this License (to be applied as a credit and offset to Licensee's Consideration obligation).

17.5 Licensee shall not and has no authority to mortgage, pledge or otherwise encumber its interest in this License, without the prior written consent of Licensor, which consent may be withheld in Licensor's sole discretion. Any such mortgage, pledge or other encumbrance in violation of the preceding sentence shall be null and void, *ab initio*.

17.6 In the event of the transfer and assignment by Licensor of its interest in this License to a person or persons expressly assuming Licensor's obligations under this License, Licensor shall thereupon be released from any further obligations hereunder, and Licensee agrees to look solely to such successor in interest of the Licensor for performance of such obligations. Any security given by Licensee to secure performance of Licensee's obligations hereunder may be assigned and transferred by Licensor to such successor in interest and Licensor shall thereby be discharged of any further obligation relating thereto.

SECTION 18

ESTOPPELS

18.1 Licensee agrees that it will, from time to time upon request by Licensor, execute and deliver to Licensor a written statement addressed to Licensor (or to a party designated by Licensor), which statement shall identify Licensee and this License, shall certify that this License is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), shall confirm that Licensor is not in default as to any obligations of Licensor under this License (or if Licensor is in default, specifying any default), shall confirm Licensee's agreements contained in this License, and shall contain such other information or confirmations as Licensor may reasonably request. Licensor is hereby irrevocably appointed and authorized as the agent and attorney in fact of Licensee to execute and deliver any such written statement on Licensee’s behalf if Licensee fails to do so within fourteen (14) business days after the delivery of a written request from Licensor to Licensee.

SECTION 19

NON-COMPETE

19.1 Licensee covenants and agrees that during the Term of this License, neither Licensee nor any person, firm or corporation, directly or indirectly controlling, controlled by or under common control with Licensee (and also, in the event Licensee is a corporation, if any officer or director thereof or shareholder owning more than ten percent (10%) of the outstanding stock thereof, or parent, subsidiary or related or affiliated corporation) either directly or indirectly shall operate or commence operation of any facility selling or that otherwise offers for sale any aircraft fuel of the type to be used by Licensee in the Fuel Tanks or similar or related items, or in any manner competes with the business of the Fuel Farm, within a straight-line radius of ten (10) miles of the Fuel Farm, which Licensee acknowledges is a reasonable area for the purpose of this provision. It is acknowledged that Licensor will incur damages by reason of the diversion of business from the Fuel Tanks and Fuel Farm to such other facility within such radius, as a proximate result of the establishment of such other facility.

SECTION 20

DEFAULT AND REMEDIES

20.1 Default by Licensee. The following events shall be deemed to be events of default by Licensee under this License:

(a) Licensee shall fail to pay when due any Base Fee or other sum of Consideration including, but not limited to, Licensee's Additional Fee or adjusted Additional Fee and Fuel Flowage Fees as

required to be paid by Licensee to Licensor under this License (hereinafter sometimes referred to as a "**Monetary Default**").

(b) Licensee shall fail to comply with any term, provision or covenant of this License (other than a Monetary Default) and shall not cure such failure within thirty (30) days after delivery to Licensee notice of the occurrence of such default.

(c) Licensee shall become insolvent, or shall make a transfer in fraud of creditors, or shall seek relief under Title 11 of the Bankruptcy Code (defined in Section 20.3 below) or shall make an assignment for the benefit of creditors, or Licensee shall admit in writing its inability to pay its debts as they become due.

(d) Licensee shall file a petition under any section or chapter of the Bankruptcy Code, as amended, pertaining to bankruptcy or under any similar insolvency or debtor-relief law or statute of the United States or any state thereof, or Licensee shall be adjudged bankrupt or insolvent in proceedings filed against Licensee thereunder; or an involuntary case is commenced under 11 U.S.C. § 303 as amended or an insolvency, receivership or any similar proceedings are commenced under Federal or State law and such proceedings are not fully and finally dismissed, or a petition or answer proposing the adjudication of Licensee as bankrupt or its reorganization under any present or future federal or state bankruptcy or similar insolvency or debtor-relief law shall be filed in any court and such petition or answer shall not be discharged or denied within sixty (60) days after the filing thereof.

(e) A receiver or trustee shall be appointed for all or substantially all of the assets of Licensee, or for the Fuel Tanks or any of Licensee's property located therein, in any proceeding brought by Licensee; or any such receiver or trustee shall be appointed in any proceeding brought against Licensee and shall not be discharged within sixty (60) days after such appointment or Licensee shall consent to or acquiesce in such appointment.

(f) The license hereunder shall be revoked upon execution or other process of law in any action against Licensee.

(g) The liquidation, termination or default of a lease, license or other written agreement with the Town of Addison, dissolution, forfeiture of right to do business or death of Licensee.

20.2 Remedies of Licensor. Upon the occurrence of any event of default by Licensee under this License, Licensor may:

(a) immediately terminate this License and at the expense and liability of the Licensee, alter or change any or all locks or other security or power devices controlling access to the Fuel Farm or Fuel Tanks without posting or giving notice of any kind to Licensee.

(b) do whatever Licensee is obligated to do under the terms of this License; and Licensee agrees to reimburse Licensor on demand for any expense which Licensor may incur in thus effecting compliance with Licensee's obligations under this License together with interest at the lesser of (i) the maximum rate permitted under applicable law or (ii) eighteen percent (18%) per annum.

20.3 Event of Bankruptcy. In addition to, and in no way limiting the other remedies set forth in this Section 20, Licensor and Licensee agree that if Licensee ever becomes the subject of a voluntary or involuntary bankruptcy, reorganization or other similar type proceeding under the federal bankruptcy laws, as now enacted or hereinafter amended, then:

(a) "adequate protection" and "adequate assurance" of Licensor's interest under this License pursuant to the provisions of Sections 361, 362, 363, 364 and 365 (or their successor sections) of the Bankruptcy Code, 11 U.S.C. Paragraph 101, et seq. (such Bankruptcy Code as amended from time to time being herein referred to as the "**Bankruptcy Code**"), prior to assumption and/or assignment of this License by Licensee shall include, but not be limited to, all or any part of the following:

(1) curing all monetary and non-monetary defaults, including, without limitation, payment of attorneys' fees incurred by Licensor related to enforcing the terms and conditions of this License and the continued payment by Licensee of the Base Fee and all other Considerations due and

owing hereunder and the performance of all other covenants and obligations hereunder by Licensee;

(2) the furnishing of an additional and/or new security deposit by Licensee in the amount of three (3) times the then-current monthly Base Fee and other Considerations payable hereunder; and

(3) in addition, the Licensee shall provide financial statements evidencing the financial condition and operating performance of any proposed assignee and guarantors, if any, which is sufficient to show that the proposed assignee is capable of performing in Licensor's sole discretion, all of the Licensee's obligations under the terms and conditions of this License, including, without limitation, the "adequate assurance" and "adequate protection" requirements set forth herein.

(b) in the event Licensor consents, in its sole discretion, to the assignment of this License, any person or entity, to which this License is assigned pursuant to the provisions of the Bankruptcy Code, shall be deemed without further act or deed to have assumed all of the obligations of Licensee arising under this License on and after the effective date of such assignment, including, without limitation, adequate protection and adequate assurance requirements under Section 20.3(a). Any such assignee shall, upon demand by Licensor, execute and deliver to Licensor an instrument confirming such assumption of liability, along with applicable guaranties of any principals of the assignee.

(c) notwithstanding the prohibition against assignment contained in Section 17.1 herein, if this License is assigned to any person or entity pursuant to the provisions of the Bankruptcy Code, any and all monies or other considerations payable or otherwise to be delivered to Licensor including Base Fees and other Considerations hereunder, shall be and remain the exclusive property of Licensor and shall not constitute property of Licensee or of the bankruptcy estate of Licensee. Any and all monies or other considerations constituting Licensor's property under the preceding sentence not paid or delivered to Licensor shall be held in trust by Licensee or Licensee's bankruptcy estate for the benefit of Licensor and shall be promptly paid to or turned over to Licensor.

(d) to the extent permitted by law, Licensor and Licensee agree that this License is a contract under which applicable law excuses Licensor from accepting performance from, or rendering performance to, any person or entity other than Licensee within the meaning of the Bankruptcy Code, 11 U.S.C. Paragraph 101, et seq.

20.4 No Waiver. The following do not constitute a waiver of any rights Licensor may have under the License: (a) failure of Licensor to declare any default immediately upon its occurrence, or delay in taking any action in connection with an event of default, shall not constitute a waiver of such default, nor shall it constitute an estoppel against Licensor, but Licensor shall have the right to declare the default at any time and take such action as is lawful or authorized under this License; (b) failure by Licensor to enforce its rights with respect to any one default shall not constitute a waiver of its rights with respect to any subsequent default; (c) receipt by Licensor of Licensee's keys to the Fuel Tanks or the Fuel Farm shall not constitute a termination of this License; and (d) no payment by Licensee or receipt by Licensor of (i) a lesser amount than the Consideration due under this License shall be deemed to be other than on account of the earliest Consideration due hereunder; and (ii) any endorsement or statement on any check or any letter accompanying any check or payment as Consideration shall not be deemed an accord and satisfaction and Licensor may accept such check or payment without prejudice to Licensor's right to recover the balance of such Consideration or pursue any other remedy in this License provided.

20.5 Remedies Cumulative. No right or remedy herein conferred upon or reserved to Licensor is intended to be exclusive of any other right or remedy it may have, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing by agreement, applicable law, common law, in equity, or otherwise. In addition to other remedies provided in this License, Licensor shall be entitled, to the extent permitted by applicable law, but without the requirement of a bond or evidence of irreparable harm, to injunctive relief in case of the violation, or attempted or threatened violation, of any of the covenants, agreements, conditions or provisions of this License, or to a decree compelling performance of any of the other covenants, agreements, conditions or provisions of this License, or to any other remedy allowed to Licensor by law, common law, in equity, or otherwise.

20.6 Evidence of Termination. To the extent any provision of applicable law requires some action by Licensor to evidence or effect the termination of this License or to evidence the termination of Licensee's right of occupancy, Licensee and Licensor hereby agree that written notice by Licensor to Licensee or to any of Licensee's agents, servants or employees, which states, in substance, that Licensor has elected to and has terminated this License, shall be sufficient to evidence and effect the termination herein provided for.

20.7 Licensor Default. Licensee shall not exercise any remedy for any breach or default by Licensor under this License without first giving written notice of such breach or default to Licensor and a commercially reasonable opportunity to cure such breach or default of not less than thirty (30) days from the date Licensor receives such notice.

SECTION 21

HOLDING OVER

21.1 In the event Licensee continues use of the Fuel Farm after the termination or expiration of this License and without the execution of a new license, it will be deemed to be using the Fuel Farm as a licensee under a license terminable at will at a daily fee equal to the Consideration herein provided plus one hundred percent (100%) of such amount, pro-rated on a daily basis, otherwise subject to all the conditions, provisions and obligations of this License insofar as the same are applicable to a license terminable at will.

SECTION 22

EXPIRATION OR TERMINATION OF LICENSE

22.1 Immediately prior to the expiration or earlier termination of Licensee's right to use the Fuel Farm pursuant to this License, Licensee shall:

a) deliver the Fuel Tanks back to Licensor in good repair, excepting reasonable wear and tear and losses required to be restored by Licensor provided for in Section 9.1, Section 15 and Section 16;

b) completely remove all sludge, solids, and residual substances from inside of the Fuel Tanks, piping and filtration devices in accordance with state and federal guidelines;

c) dispose of tank bottom sludge according to state and federal laws and regulations;

d) remove and replace all filters, separators or other filtering medium or such devices typically required under Section 9.1;

e) secure the Fuel Tanks by bolting and locking all manways, valves and cap or plug fill lines, gauge openings or pump lines; and

f) take all other actions reasonably necessary to empty, secure and stabilize the Fuel Tanks as instructed by Licensor.

22.2 On the surrender of the Fuel Tanks at the expiration or earlier termination of this License, Licensee shall give Licensor at least seventy-two (72) hours advance notice that the Fuel Tanks are ready for Licensor’s inspection and acceptance. Upon this notification, Licensor shall then inspect the Fuel Tanks and call for the inspection by the Town of Addison Fire Department and any other regulatory entity having jurisdiction over such matters. Licensee agrees to remedy, at first reasonable opportunity, any exception or exceptions reported as a result of said inspections. Once all exceptions have been resolved and accepted by Licensor, Licensor shall deliver written notice to Licensee that Licensor has accepted the surrender of the Fuel Tanks pursuant to this Section 22, and Licensee’s right to access and use of the Fuel Tanks and Fuel Farm is terminated.

SECTION 23

NOTICES

23.1 Wherever any notice is required or permitted hereunder, such notice shall be in writing. Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered when actually received by the designated addressee or, if earlier and regardless of whether actually received or not, when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to the parties hereto at the respective addresses set out in Section 1.1 above, or at such other address as they might specify by written notice.

23.2 If and when included within the term "Licensor" as used in this License there are more than one person, firm or corporation, all shall jointly arrange among themselves for their joint execution of such notice specifying some individual at some specific address for the receipt of notices and payments to the Licensor; if and when included within the term "Licensee" as used in this instrument there are more than one person, firm or corporation, all shall jointly arrange among themselves for their joint execution of such a notice specifying some individual at some specific address for the receipt of notices and payments to Licensee. All parties included within the terms "Licensor" and "Licensee", respectively, shall be bound by notices and payments given in accordance with the provisions of this Section. 23.2 to the same effect as if each had received such notice or payment. In addition, Licensee agrees that Licensor's attorney, property manager or other agent may give notices to Licensee on Licensor's behalf.

SECTION 24

COMMISSIONS

24.1 **EACH PARTY HERETO REPRESENTS TO THE OTHER THAT IT HAS NOT AUTHORIZED ANY BROKER OR FINDER TO ACT ON ITS BEHALF IN CONNECTION WITH THE NEGOTIATION AND EXECUTION OF THIS LICENSE, AND LICENSOR AND LICENSEE EACH AGREE TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE OTHER FROM AND AGAINST ANY AND ALL INDEMNIFIED DAMAGES ARISING OUT OF OR RESULTING FROM ANY AGREEMENT, ARRANGEMENT OR UNDERSTANDING MADE OR ALLEGED TO HAVE BEEN MADE BY SUCH INDEMNIFYING PARTY WITH ANY SUCH OTHER BROKER OR FINDER IN CONNECTION WITH THIS LICENSE, INCLUDING ANY SUCH CLAIM, LOSS, DAMAGE, COST OR EXPENSE ARISING OUT OF THE NEGLIGENCE OF THE INDEMNIFIED PARTY, PROVIDED THAT INDEMNIFYING PARTY SHALL HAVE NO DUTY TO INDEMNIFY THE INDEMNIFIED PARTY FOR INDEMNIFIED DAMAGES CAUSED BY THE SOLE NEGLIGENCE OF THE INDEMNIFIED PARTY.**

SECTION 25

CHANGES DUE TO LEGAL REQUIREMENTS

25.1 If for any reason the Fuel Farm was not constructed in compliance with any legal requirements in existence at the time of construction, Licensor shall have no liability to Licensee or any Licensee Parties as a result thereof, except that Licensor shall have a reasonable period of time after notification from Licensee of such noncompliance to cause the Fuel Farm to comply with such legal requirements. If there are any changes to such legal requirements after the date of completion of Licensor's construction of the Fuel Farm that require changes thereto, Licensor shall have a reasonable period of time after notification from Licensee to make such changes. All costs incurred by Licensor in causing the Fuel Farm to comply with applicable laws may be included in the Common Area Charge.

SECTION 26

APPLICABLE LAWS

26.1 Licensor and Licensee acknowledge that there are in effect federal, state, county and municipal laws, rules, regulations, standards, and policies (together, "laws") and that the same may hereafter be modified or amended and additional laws may hereafter be enacted or go into effect, relating to or affecting the Fuel Farm or the Fuel Tanks. Licensee shall not cause, or permit or allow the Licensee Parties to cause, any violation of any applicable laws. Moreover, Licensee shall have no claim against Licensor by reason of any changes Licensor may make in the Fuel Farm or the Fuel Tanks required by any applicable laws or any charges imposed upon Licensee, Licensee's customers or other invitees as a result of applicable laws.

26.2 If any provision in this License is held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this license shall not be affected thereby.

26.3 Licensee hereby acknowledges that Licensor is bound by the terms and conditions of any and all Federal Aviation Administration, Texas Department of Transportation, and other grant agreements, grant assurances and regulations regarding the Airport, and the terms of any grant, loan, regulation, or agreement under Section 22.055 of the Texas Transportation Code, as amended or superseded, whether now existing or made in the future. Without limiting the generality of Section 26.1, Licensee agrees not to take any action or omit to take any action in relation to the Fuel Farm that would cause Licensor to be in violation of such terms, conditions, agreements, assurances, regulations, grant or loan.

26.4 Licensor and Licensee hereby specifically acknowledge that U.S. Code of Federal Regulations Title 40 Part 112 – *Oil Pollution Prevention,* governs the conduct of the parties under the License. Licensor and Licensee hereby further specifically acknowledge that the National Fire Protection Association, Inc. (NFPA) 407, *Standard for Aircraft Fuel Servicing,* governs the conduct of the parties under the License. Without limiting the generality of Section 26.1, Licensee agrees not to take any action or omit to take any action in relation to the Fuel Farm that would cause Licensor to be in violation of such regulations or standards.

26.5 If, by reason of any applicable laws, the payment to, or collection by, Licensor of any Consideration or other charges payable by Licensee to Licensor pursuant to the provisions of this License is in excess of the amount (the "**Maximum Charge**") permitted by laws, then Licensee, during the period when such laws shall be in force and effect (the "**Freeze Period**"), shall not be required to pay, nor shall Licensor be permitted to collect, any sum in excess of the Maximum Charge. Upon the earlier of (i) the expiration of the Freeze Period, or (ii) the issuance of a final order or judgment of a court of competent jurisdiction declaring such laws to be invalid or not applicable to the provisions of this License, Licensee, to the extent not then proscribed by applicable law, and commencing with the first day of the month immediately following, shall pay to Licensor as additional Consideration, prorated in equal monthly installments over the balance of the Term of this License, a sum equal to the cumulative difference between the Maximum Charge and such Consideration or other charge during the Freeze Period. If any provision of this Section 26.5, or the application thereof, shall to any extent be declared to be invalid and unenforceable, the same shall not be deemed to effect the validity and enforceability of any of the other provisions of this Section 26.5 or of this License, all of which shall remain in effect to the fullest extent permitted by law.

SECTION 27

MANDATORY NON-BINDING MEDIATION

27.1 The parties have entered into this License in the belief that it is mutually advantageous to them. It is with that same spirit of cooperation that they pledge to attempt to resolve any dispute (unless the Dispute involves an event of default of a payment obligation under this License) amicably without the necessity of litigation. Accordingly, they agree if any dispute arises between them relating to this License (the "**Dispute**"), they will first utilize the following procedures specified in this Section 27 (the "**Procedure**") before resorting to any court proceedings, unless the lack of immediate court proceedings would cause irreparable harm without an adequate remedy at law:

(a) The party seeking to initiate the Procedure (the "**Initiating Party**") will give Notification to the other party. The Notification must describe in general terms the nature of the Dispute and the Initiating Party's requested relief. Additionally, the Notification must identify one or more individuals with authority to settle the Dispute on the Initiating Party's behalf. The party receiving the Notification (the "**Responding Party**") will have five (5) business days within which to designate by reply Notification to the Initiating Party one or more individuals with authority to settle the Dispute on the Responding Party's behalf. The individuals so designated will be known as the "**Authorized Individuals**". The Initiating Party and the Responding Party will collectively be referred to as the "**Disputing Parties**" or individually as a "**Disputing Party**".

(b) The Authorized Individuals may investigate the Dispute as they deem appropriate, but they agree to promptly, and in no event not later than fourteen (14) days from the date of the Initiating Party's Notification, meet to discuss the resolution of the Dispute. The Authorized Individuals will meet at the times and places and with the frequency as they may agree. If the Dispute has not been resolved within fourteen (14) days from their initial meeting date, the Disputing Parties will cease direct negotiations and will submit the Dispute to mediation in accordance with the following procedure:

(i) The Authorized Individuals will have five (5) business days from the date they cease direct negotiations to submit to each other by Notification a written list of acceptable qualified attorney-mediators not affiliated with any party. Within five (5) days from the date the list is received, the Authorized Individuals will rank the mediators in numerical order of preference and exchange the rankings. If one or more names are on both lists, the highest-ranking person will be designated as the mediator. If no mediator has been selected under this procedure, the Disputing Parties agree jointly to request a state district or federal district judge of their choosing, from the State of Texas, to supply a list of potential qualified attorney-mediators. Within five (5) days from the date the list is received, the Authorized Individuals will rank the mediators in numerical order of preference and exchange the rankings. If one or more names are on both lists, the highest-ranking person will be designated as the mediator. If no mediator has been selected under this procedure, either of the Disputing Parties may unilaterally request a local state district judge for Dallas County, Texas, to supply the list. Within five (5) business days from the date the list is received, the Authorized Individuals will again rank the proposed mediators in numerical order of preference and will simultaneously exchange the list and will select as the mediator the individual receiving the highest combined ranking. If the mediator is not available to serve, they will proceed to contact the mediator who was next highest in ranking until they are able to select a mediator.

(ii) In consultation with the mediator selected, each Disputing Party will cause its Authorized Individual to cooperate with the other Authorized Individual in promptly designating a mutually convenient time and place for the mediation. Unless circumstances require otherwise, the time for mediation shall not be later than thirty (30) days after selecting the mediator.

(iii) If any Disputing Party has substantial need for information in another Disputing Party's possession or control in order to prepare for the mediation, all Disputing Parties will attempt to agree to procedures to expeditiously request and exchange the information and the scope of such request with the mediator's help if required.

(iv) At least seven (7) days before the first scheduled mediation session, each Disputing Party will deliver to the mediator, and by Notification deliver to the other Disputing Party, a general and concise written summary of its views on the Dispute and any other matters required by the mediator. The mediator may also request that a confidential issue paper be submitted by each Disputing Party to the mediator.

(v) In the mediation, each Disputing Party will be represented by its Authorized Individual and may also be represented by counsel. In addition, each Disputing Party may, with the mediator's permission and subject to the confidentiality provisions of this Section 27, bring additional persons as needed to respond to questions, contribute information and participate in the negotiations.

(vi) The mediator will determine the format for the meetings. The format must be designed to insure that (A) both the mediator and the Authorized Individuals have an opportunity to hear an

oral presentation of each Disputing Party's views on the Dispute, and (B) the Authorized Individuals attempt to negotiate to resolve the Dispute, with or without the assistance of counsel or others permitted to attend, but with the mediator's assistance. To this end, the mediator is authorized to conduct both joint meetings and separate private caucuses with the Disputing Parties. The mediation session will be private and the Disputing Parties agree to not disclose or release any information to third-parties (except as allowed under Subsection (x) below). The Parties will require the mediator to keep confidential all information learned in private caucus with any Disputing Party unless specifically authorized by the Disputing Party to disclose the information to the other Disputing Party. The Disputing Parties commit to participate in the proceedings with the intention of resolving the Dispute if at all possible.

(vii) The Disputing Parties agree to participate in the mediation procedure to its conclusion. The mediation will be terminated by (a) executing a settlement agreement between the Disputing Parties, (b) declaring to the mediator that the mediation is terminated, or (c) a Disputing Party declaring in writing that the mediation process is terminated when one (1) full day's mediation session is concluded.

(viii) Even if the mediation is terminated without the resolution of the Dispute, the Disputing Parties agree not to terminate negotiations and not to commence any court proceedings before five (5) days following the termination of the mediation. In any event, any Disputing Party may terminate the mediation procedure if the other Disputing Party fails to comply with this Procedure or if any claim in the Dispute, in the absence of such termination, could be barred by any applicable statute of limitations.

(ix) The mediator's fees and expenses will be shared equally among the Disputing Parties. The mediator will be disqualified as a witness, consultant, expert, or counsel for any Disputing Party with respect to the Dispute and any related matters.

(x) Mediation is a compromise and offer to compromise subject to Rule 408 of the Texas and Federal Rules of Evidence. The entire mediation process is confidential, and no stenographic, visual or audio record will be made. Subject to Rule 408 of the Texas and Federal Rules of Evidence, all conduct, statements, promises, offers, views and opinions, whether oral or written, made in the course of the mediation by any Disputing Party, their Authorized Individuals or any of their agents, employees, representatives or other invitees and by the mediator are confidential and, in addition and where appropriate, will be deemed privileged, and shall not be disclosed to anyone who is not (A) a party's agent, employee, expert, witness, or representative and (B) bound by the same confidentiality standards as the parties hereto. Evidence otherwise discoverable or admissible, however, is not excluded from discovery or admission as a result of its use in the mediation.

SECTION 28

MISCELLANEOUS

28.1. **INDEMNITY. LICENSEE SHALL ALSO DEFEND AND INDEMNIFY LICENSOR AND THE LICENSOR INDEMNIFIED PERSONS AGAINST AND HOLD LICENSOR AND THE LICENSOR INDEMNIFIED PERSONS HARMLESS FROM ALL COSTS, EXPENSES, DEMANDS AND LIABILITY LICENSOR OR THE LICENSOR INDEMNIFIED PERSONS MAY INCUR IF LICENSOR OR ANY OF THE LICENSOR INDEMNIFIED PERSONS BECOME OR ARE MADE A PARTY TO ANY CLAIM OR ACTION (A) INSTITUTED BY LICENSEE AGAINST ANY THIRD PARTY, OR BY ANY THIRD PARTY AGAINST LICENSEE, OR AGAINST ANY PERSON HOLDING ANY INTEREST UNDER OR USING THE FUEL FARM BY LICENSE OR BY AGREEMENT WITH LICENSEE; (B) FOR FORECLOSURE OF ANY LIEN FOR LABOR OR MATERIAL FURNISHED TO OR FOR LICENSEE OR SUCH OTHER PERSON; (C) OTHERWISE ARISING OUT OF OR RESULTING FROM ANY ACT, OMISSION OR TRANSACTION OF LICENSEE, ANY OF LICENSEE PARTIES, OR SUCH OTHER PERSON; OR (D) NECESSARY TO PROTECT LICENSOR'S INTEREST UNDER THIS LICENSE IN A BANKRUPTCY**

PROCEEDING, OR OTHER PROCEEDING UNDER THE BANKRUPTCY CODE, 11 U.S.C. PARAGRAPH 101, ET SEQ., INCLUDING SUCH COSTS, EXPENSES, DEMANDS, AND LIABILITIES AS ARE OR MAY BE CAUSED BY THE NEGLIGENCE OF THE LICENSOR OR ANY OF THE LICENSOR INDEMNIFIED PERSONS, BUT LICENSEE SHALL HAVE NO DUTY TO INDEMNIFY LICENSOR OR ANY LICENSOR INDEMNIFIED PERSON FOR INDEMNIFIED DAMAGES CAUSED BY THE SOLE NEGLIGENCE OF LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON, UNLESS THE INSURANCE OF LICENSEE COVERS THE INDEMNIFIED DAMAGES CAUSED BY SUCH SOLE NEGLIGENCE.

28.2 Nothing in this License shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture or joint enterprise between the parties hereto, it being understood and agreed that neither the method of computation of Consideration, nor any other provision contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the relationship of Licensor and Licensee.

28.3 Licensee shall not, for any reason, withhold or reduce Licensee's required payments of Consideration and other charges provided in this License, it being agreed that the obligations of Licensor under this License are independent of Licensee's obligations except as may be otherwise expressly provided herein.

28.4 Licensee shall deposit the Security Deposit with Licensor upon Licensee's execution of this Lease. Licensor shall hold the Security Deposit without interest as security for the performance by Licensee of Licensee's covenants and obligations under this License. Licensor shall not be required to keep the Security Deposit separate from its other accounts and no trust relationship is created with respect to the Security Deposit. The Security Deposit is not an advance payment of rental or a measure of liquidated damages in case of an event of default by Licensee. Upon the occurrence of an event of default by Licensee, Licensor, from time to time, in addition to and without prejudice to any other remedy provided herein or provided by law, may use the Security Deposit to the extent necessary to make good any arrearages of Consideration and any other damage, injury, expense or liability caused to Licensor by any events of default by Licensee. If at any time during this License the Security Deposit then being held by Licensor is less than one monthly installment of the Base Fee plus the then prevailing Additional Fee, Licensee will be required to make an additional payment to Licensor so that the Security Deposit being held by Licensor is always equal to one monthly installment of the Base Fee plus the then prevailing Additional Fee. If an event of default by Licensee does not exist, and no condition exists, which, with the passage of time or the giving of notice, or both, would constitute an event of default, when this License expires or terminates, any remaining balance of such Security Deposit not used by Licensor in accordance with this License and applicable law shall be returned by Licensor to Licensee at the last address of Licensee according to the records of Licensor within a commercially reasonable time following such expiration or termination. Licensee's actual or attempted assignment, transfer, or encumbrance of the Security Deposit will not bind Licensor.

28.5 One or more waivers of any covenant, term or condition of this License by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

28.6 If any provision of this License is held to be illegal, invalid, or unenforceable, under present or future governmental laws, rules, or regulations, such provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision is not a part hereof, and the remaining provisions shall remain in full force and effect. Licensee shall not record this License or any memorandum or short form hereof, nor shall Licensee permit or cause this License or any memorandum or short form hereof to be recorded. Any attempt at recordation of this License or of a memorandum or short form hereof by Licensee without having first obtained Licensor's written approval shall, at Licensor's option, constitute an automatic event of default by Licensee and, at Licensor's option, may void this License and Licensee's rights hereunder.

28.7 THE LAWS OF THE STATE OF TEXAS (WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS) SHALL GOVERN THE INTERPRETATION, VALIDITY, PERFORMANCE AND ENFORCEMENT OF THIS LICENSE. THIS LICENSE IS PERFORMABLE IN DALLAS COUNTY, TEXAS. VENUE FOR ANY ACTION UNDER THIS LICENSE SHALL BE IN DALLAS STATE DISTRICT COURT, DALLAS COUNTY, TEXAS, THE COUNTY IN WHICH CONSIDERATION SHALL BE PAID PURSUANT TO SECTION 1 AND SECTION 4.2 OF THIS LICENSE. BY EXECUTING THIS LICENSE, EACH PARTY HERETO (i) EXPRESSLY CONSENTS AND SUBMITS TO THE PERSONAL JURISDICTION OF THE

COURTS OF SUCH COUNTY AND THE STATE OF TEXAS; (II) WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY CLAIM OR DEFENSE THAT THE COURTS OF SUCH COUNTY AND STATE ARE NOT A PROPER OR CONVENIENT VENUE OR FORUM; AND (III) CONSENTS TO THE SERVICE OF PROCESS IN ANY MANNER AUTHORIZED BY TEXAS LAW.

28.8 The captions used herein are for convenience only and do not limit or amplify the provisions hereof.

28.9 Whenever herein the singular number is used, the same shall include the plural, and words of any gender shall include each other gender.

28.10 The terms, provisions and covenants contained in this License shall apply to, inure to the benefit of and be binding upon the parties and their respective heirs, successors in interest, legal representatives and permitted assigns except as otherwise herein expressly provided. Neither party shall be bound by this License in any way until both parties have executed this License and each party has received a copy of this License duly executed by the other. No provision of this License is intended to inure to the benefit of any third party.

28.11 This License and the schedules, riders and exhibits attached, if any (all of which are hereby incorporated by reference herein and made a part hereof), together with the rules and regulations adopted and promulgated by Licensor pursuant to the provisions of this License, contain the entire agreement between the parties, and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties, and no rights are created in favor of either party other than as specified or expressly contemplated in this License, and this License supersedes and revokes all previous negotiations, arrangements, letters of intent, offers to lease or license, lease or license proposals, brochures, representations and information conveyed, whether oral or in writing, between the parties or their respective representatives or any other person purporting to represent Licensor or Licensee. Licensee acknowledges that it has not been induced to enter into this License by any representations or warranties not set forth in this License, that Licensee has not relied upon any representations or warranties not contained in this License and that any rules of interpretation which would otherwise guide the interpretation of this License by virtue of the identity of the party drafting the terms and provisions of this License shall not apply (it being acknowledged and agreed that each party has been represented or had the opportunity to be represented by able counsel in connection with the negotiation and interpretation of this License and all terms and provisions hereof). No brochure, rendering, information, correspondence, representation, warranty or discussion shall be deemed to be a part of this License unless specifically set forth herein or specifically incorporated herein by reference. In addition, no agreement, discussion, course of dealing or course of performance between the parties shall be effective to change, modify or terminate this License or to release Licensee or any other obligated party with respect to liability for this License, either in whole or in part unless the same shall be in writing and duly signed by the party against whom enforcement of such change, modification or termination is sought.

28.12 Licensee agrees to treat the financial terms of this License as confidential and shall not allow disclosure of such financial terms without the prior written consent of Licensor unless required to undertake such disclosure by applicable law. The parties acknowledge that the financial terms of this License are confidential to the maximum extent allowed under applicable law, and any disclosure of it by Licensee would cause Licensor irreparable harm, which could not be measured in actual damages.

28.13 This License consists of twenty-eight (28) Sections and Exhibits “A” through “F”. In the event any provision of an exhibit or other attached page shall be inconsistent with a provision in the body of this License, the provision set forth in the License shall be deemed to control.

28.14 If Licensee executes this License as a corporation or partnership, each of the persons executing this License on behalf of Licensee does hereby personally represent and warrant that Licensee is a duly authorized and existing corporation or partnership, that Licensee is qualified to do business in the state in which the Fuel Farm is located, that such corporation or partnership has full right and authority to enter into this License, and that each person signing this License on behalf of such corporation or partnership is authorized to do so. The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect. In the event any representation or warranty set forth in this Section 28.14 is materially false, all persons who execute this License on behalf of, or as the act and deed of Licensee, shall be individually liable as Licensee.

28.15 In addition to provisions of this Agreement expressly providing for the survival of provisions of this Agreement following the expiration or earlier termination of this Agreement, any other provision of this Agreement, including, without limitation, remedies for a breach or default under this Agreement or the payment of Compensation, that could be reasonably construed to be intended by the parties to survive such expiration or termination shall so survive. The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

28.16 Licensor and Licensee hereby acknowledge and agree that they are knowledgeable and experienced in commercial transactions and further hereby acknowledge and agree that the provisions of this License for determining Consideration and other charges payable by Licensee are commercially reasonable and valid even though such methods may not state precise mathematical formulae for determining such charges. ACCORDINGLY, LICENSEE HEREBY VOLUNTARILY AND KNOWINGLY WAIVES ALL RIGHTS AND BENEFITS TO WHICH LICENSEE MAY BE ENTITLED UNDER SECTION 93.004 OF THE TEXAS PROPERTY CODE, AS ENACTED BY HOUSE BILL 2186, 77TH LEGISLATURE, AS SUCH SECTION NOW EXISTS OR AS SAME MAY BE HEREAFTER AMENDED OR SUCCEEDED, TO THE EXTENT SUCH SECTION IS APPLICABLE.

NOTICE OF INDEMNIFICATION

THE PARTIES TO THIS LICENSE AGREEMENT HEREBY ACKNOWLEDGE AND AGREE THAT THIS LICENSE CONTAINS CERTAIN INDEMNIFICATION PROVISIONS FOR THE LICENSEE TO INDEMNIFY THE LICENSOR AND OTHER LICENSOR INDEMNIFIED PERSONS. IF A CLAIM IS MADE AGAINST LICENSOR OR ANY OTHER LICENSOR INDEMNIFIED PERSON THAT IS INDEMNIFIED BY LICENSEE UNDER THIS AGREEMENT, LICENSEE SHALL DEFEND LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON AT LICENSEE'S SOLE COST AND EXPENSE WITH COUNSEL REASONABLY ACCEPTABLE TO LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON, OR, AT LICENSEE'S ELECTION, LICENSEE SHALL REIMBURSE LICENSOR OR SUCH LICENSOR INDEMNIFIED PERSON FOR ANY FEES OR COSTS LICENSOR OR SUCH LICENSEE INDEMNIFIED PERSON INCURS IN DEFENDING ANY SUCH CLAIM. LICENSEE'S DEFENSE, INDEMNITY AND HOLD HARMLESS OBLIGATIONS UNDER THIS AGREEMENT SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS AGREEMENT.

(THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK)

EXECUTED effective as of _____, 20__**.**

LICENSOR: **TOWN OF ADDISON, TEXAS**

By: _____

Printed Name: _____

Title: _____

ATTEST:

By: _____

_____, City Secretary

LICENSEE: **EAGLE LAND & EAGLE CO., a Texas corporation.**

By: _____

Printed Name: _____

Title: _____

Taxpayer Identification No. **75-23444288**

ATTEST:

By: _____

Print Name: _____

Title: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF ADDISON AIRPORT FUEL FARM

DESCRIPTION:

BEING 106,831 Square Feet or 2.4525 Acres, Tract of land in the E. Cook Survey, Abstract 326, Dallas County, Texas, and located on Addison Municipal Airport, Addison, Texas and being more particularly described by metes and bounds as follows:

COMMENCING at a 5/8 inch iron rod found in the West Right–of–Way line of Addison Road (60' Right–of–Way), said point also being the southeast corner of a 0.6983 acres Addison Airport lease Tract; THENCE South 00° 52' 49" East and along said West line of Addison Road, a distance of 129.60 feet to a 5/8 inch iron rod set for the POINT OF BEGINNING, said point also being the norteast corner of said 2.4525 subject tract;

THENCE South 00° 52' 49" East and continuing along the said West line of Addison Road, a distance of 598.6 feet to a 5/8 inch iron rod set for corner;

THENCE South 89° 07' 11" West and departing said West line of Addison Road, a distance of 104.06 feet to a 5/8 inch iron rod set for corner;

THENCE North 14° 20' 57" West a distance of 390.27 feet to a PK Nail set for corner;

THENCE North 21° 29' 45" West a distance of 130.61 feet to a PK Nail set for corner;

THENCE North 23° 40' 57" East a distance of 78.22 feet to a PK Nail set for corner;

THENCE North 69° 16' 38" East a distance of 75.84 feet to a PK Nail set for corner;

THENCE North 89° 07' 11" East a distance of 142.12 feet to the POINT OF BEGINNING, and CONTAINNING 106,831 square feet or 2.4525 acres of land more or less.

EXHIBIT "B"

SURVEY OF ADDISON AIRPORT FUEL FARM

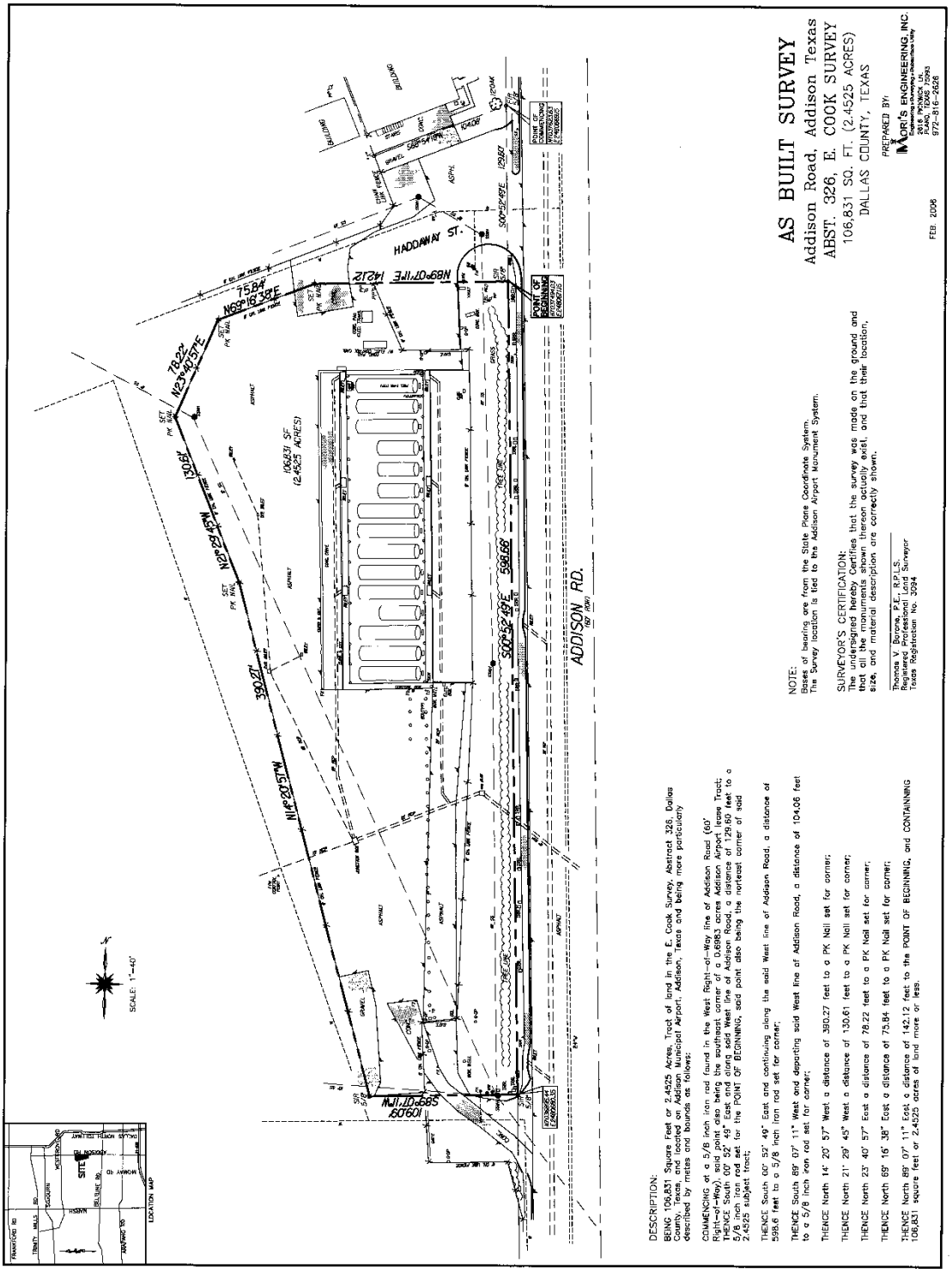


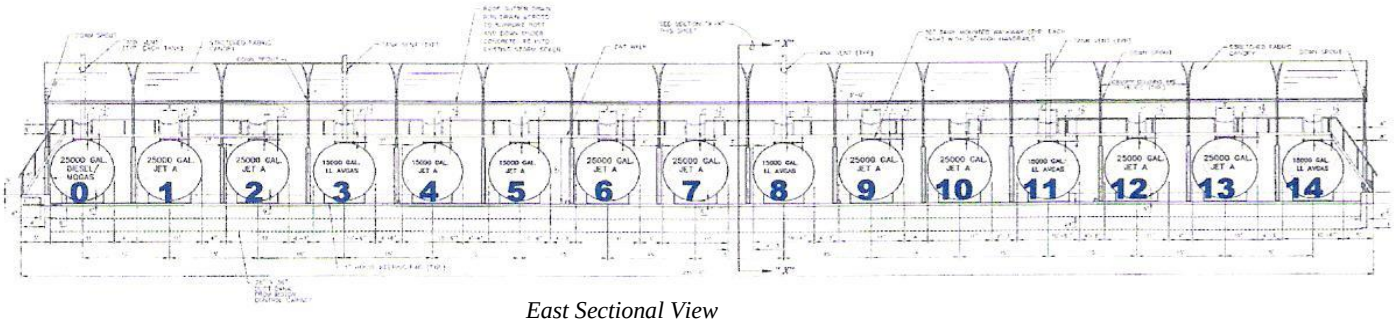
EXHIBIT "C"

SITE PLAN AND TANK CAPACITY OF ADDISON AIRPORT FUEL FARM

This Exhibit "C" is presented for the purpose of identifying the Fuel Tanks within the Fuel Farm, their capacity in gallons and percentage relative to the aggregate as of the Commencement Date of this Agreement. This Exhibit "C" is subject to change at Licensor's discretion except as otherwise expressly restricted in the Agreement.

License Holders As of Effective Date	Tank ID#	Designated Fuel Type	Tank Gallon Capacity	Capacity as % of Total Gallons	TCEQ #
Mercury Air Center – Addison, Inc.	00_a	Motor Vehicle Gasoline	10,000	0.03175	
Mercury Air Center – Addison, Inc.	00_b	Diesel	15,000	0.04762	
Mercury Air Center – Addison, Inc.	01	Jet A	25,000	0.07937	
Mercury Air Center – Addison, Inc.	02	Jet A	25,000	0.07937	
Mercury Air Center – Addison, Inc.	03	100 LL	15,000	0.04762	
Vacant	04	Jet A	15,000	0.04762	
Vacant	05	Jet A	15,000	0.04762	
Vacant	06	Jet A	25,000	0.07937	
Vacant	07	Jet A	25,000	0.07937	
Vacant	08	100 LL	15,000	0.04762	
Sky B&B	09	Jet A	25,000	0.07937	
Sky B&B	10	Jet A	25,000	0.07937	
EAGLE LAND & CATTLE CO.	11	100 LL	15,000	0.04762	
RR Investments, Inc.	12	Jet A	25,000	0.07937	
RR Investments, Inc.	13	Jet A	25,000	0.07937	
RR Investments, Inc.	14	100 LL	15,000	0.04762	
Totals			**315,000**	**1.0000**	

TCEQ=Texas Commission on Environmental Quality or its equivalence



East Sectional View

EXHIBIT "D"

TERM EXTENSIONS

Licensee (but not any assignee, sublicensee or other transferee of Licensee, even if Licensor's consent thereto is obtained in accordance with the terms and conditions of Section 17 of this License) is granted the option(s) to extend the Term of this License for four (4) consecutive term(s) of sixty (60) months each (each, a "**Term Extension**"), provided (a) Licensee is not in default under the License or any other agreement with the Town of Addison at Addison Airport at the time of its exercise of the Term Extension, nor at the commencement date of the applicable Term Extension, and (b) Licensee gives written notice to Licensor of its exercise of the option to extend the Term between that period of time being sixty (60) months prior to the end of Term and six (6) months prior to the end of Term or Term Extension (the "**Option Period**"). Each Term Extension shall commence on the day immediately following the date of expiration of the immediately preceding original Term or Term Extension and shall be upon the same terms, conditions and Consideration as were in effect hereunder during such immediately preceding original Term or Term Extension, except (i) Licensee shall have no further right of renewal after the last Term Extension described above; and (ii) the monthly Base Fee during such each Term Extension will be as follows:

(a) the first Term Extension, from _____N/A_____ to _____N/A_____, shall be at the monthly Base Fee rate of $NA per gallon/yr.; and

(b) the second Term Extension, from _____N/A_____ to _____N/A_____, shall be at the monthly Base Fee rate of $NA per gallon/yr.; and

(c) the third Term Extension, from _____N/A_____ to _____N/A_____, shall be at the monthly Base Fee rate of $NA per gallon/yr.; and

(d) the fourth Term Extension, from _____N/A_____ to _____N/A_____, shall be at the monthly Base Fee rate of $NA per gallon/yr.

Licensee's rights under this Exhibit "D" shall terminate if the License or Licensee's right to use of the Fuel Tanks is terminated, or if Licensee fails to timely exercise Licensee's option to extend the Term of this License in accordance with the terms and conditions of this Exhibit "D" with TIME BEING OF THE ESSENCE WITH RESPECT TO LICENSEE'S EXERCISE THEREOF.

EXHIBIT "E"

STATEMENT OF LICENSOR'S INITIAL CONSTRUCTION RESPONSIBILITY

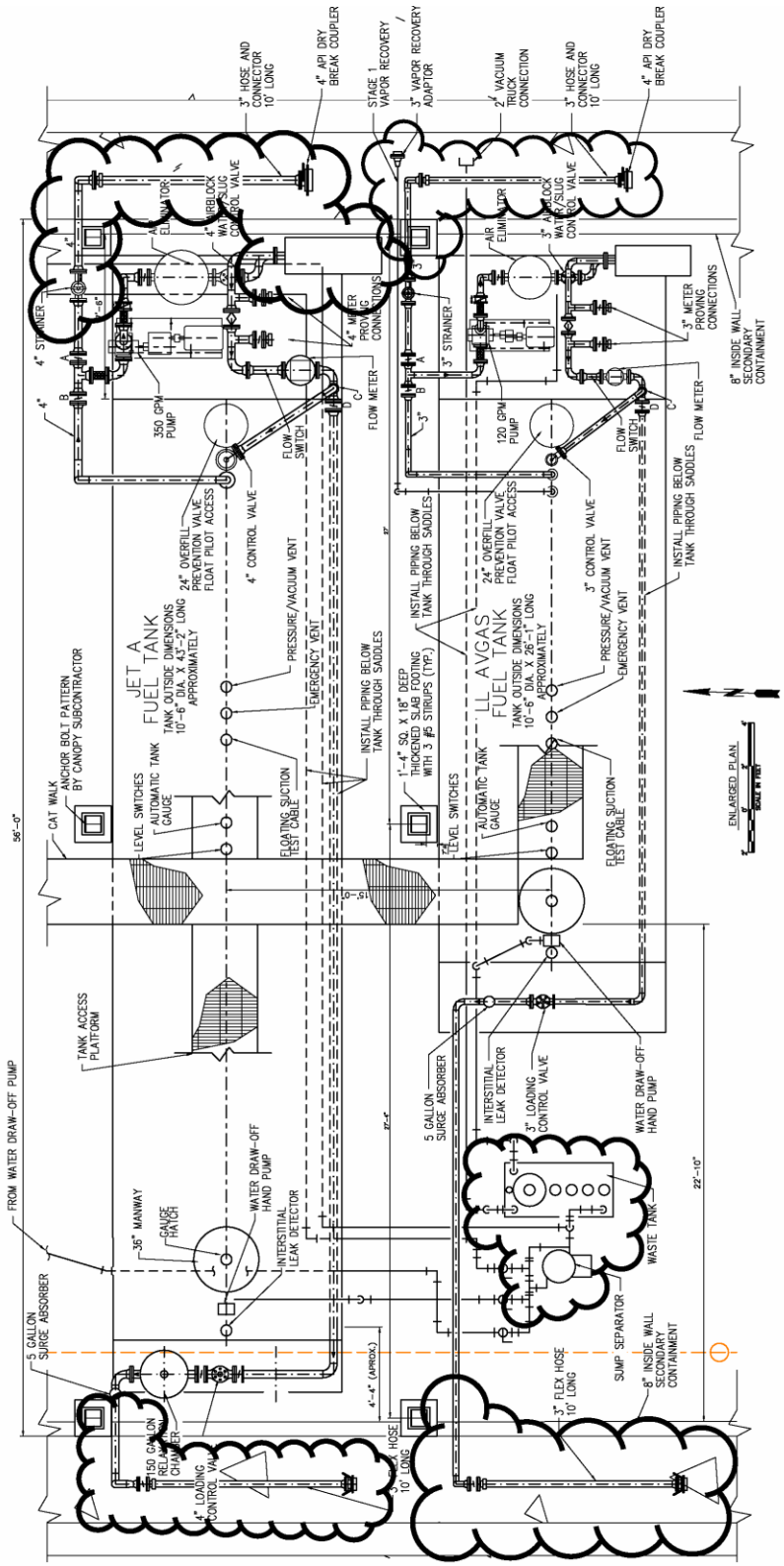
Description of Bulk Fuel and Dispensing System For Addison Airport

The proposed Bulk Fuel Storage and Dispensing System is be a centrally located with fifteen (15) individual bulk fuel storage tanks, with off-load and five (5) Fixed Base Operator (FBO) metered dispensing systems, in a consolidated, environmentally protected site, including tanks and operating equipment, with suitable architectural considerations to blend into the site. The horizontal mounted cylindrical tanks will have an approximate dimension of ten and one-half feet (10.5' W) diameter by forty-three feet (43' L) in length (25,000 gal), or alternatively, ten and one half feet (10.5') diameter by twenty-six feet (26') in length (15,000 gal). Fuel storage tanks will be double wall, 2-hour fire rated, protected tanks. Primary products to be dispensed are Low Lead AVGAS and Jet A Fuel, with one two-compartment tank of 10,000 and 15,000 gallon, with dispensing equipment for LL MoGas and Diesel. The Jet A off-load systems will be capable of off-loading 8,000 gallons to an over-the-road fuel tanker truck within 20 minutes at approximately 350 gallons/minute and the dispensing systems into the Airport refueling vehicles will be rated at approximately 300 gallons/minute. Industry standard filtration systems with automatic shutdown and alarms will be installed on the off-load side of the storage tanks, to protect product in the fuel storage tanks. Overflow protection devices will be installed on all fuel storage tanks and connected to the pump control panel. Pump/dispensing control panel or panels, will be logically sequenced, gauged to fuel storage tanks for fuel level indication, and clearly marked for ease of operations. An oil/water separator will be installed and connected to the secondary containment dike area, using a valve connection and the off-load/dispensing pad to allow for immediate wash-down of any spilled product. The off-load/dispensing pad will be large enough to provide a designated parking spot for any aircraft-refueling vehicle that develops a leak. Fuel storage area will have explosion proof electrical fixtures and control panel. A fresh water line will be required for emergency eye wash unit and a 1" hose and reel unit installed for wash down. The hose must reach all areas of the facility, including the oil/water separator. An emergency telephone/intercom/transmitter device will be installed with direct link to the Main Fire Station alarm room located at 4798 Airport Parkway, Addison, Texas 75001-3364. Fuel storage tanks will be mounted in an 18" high concrete low wall secondary containment area, connected to the oil/water separator so that any major spill in the containment area can be washed down and pumped out through the oil/water separator. Design will include area lighting, site storm drainage and connection, any required utilities relocation, and site appearance considerations. Access from the outside (airport land side) will be controlled with electrically operated gates and/or a code or key access pad. Paved access will be required from the street and from the airfield areas. Street connection will include driveways, curb and gutter.

Source: Addison Airport Project Specification Book for Bulk Fuel Storage and Dispensing System, Section 01000A, Paragraph 9, Page 5

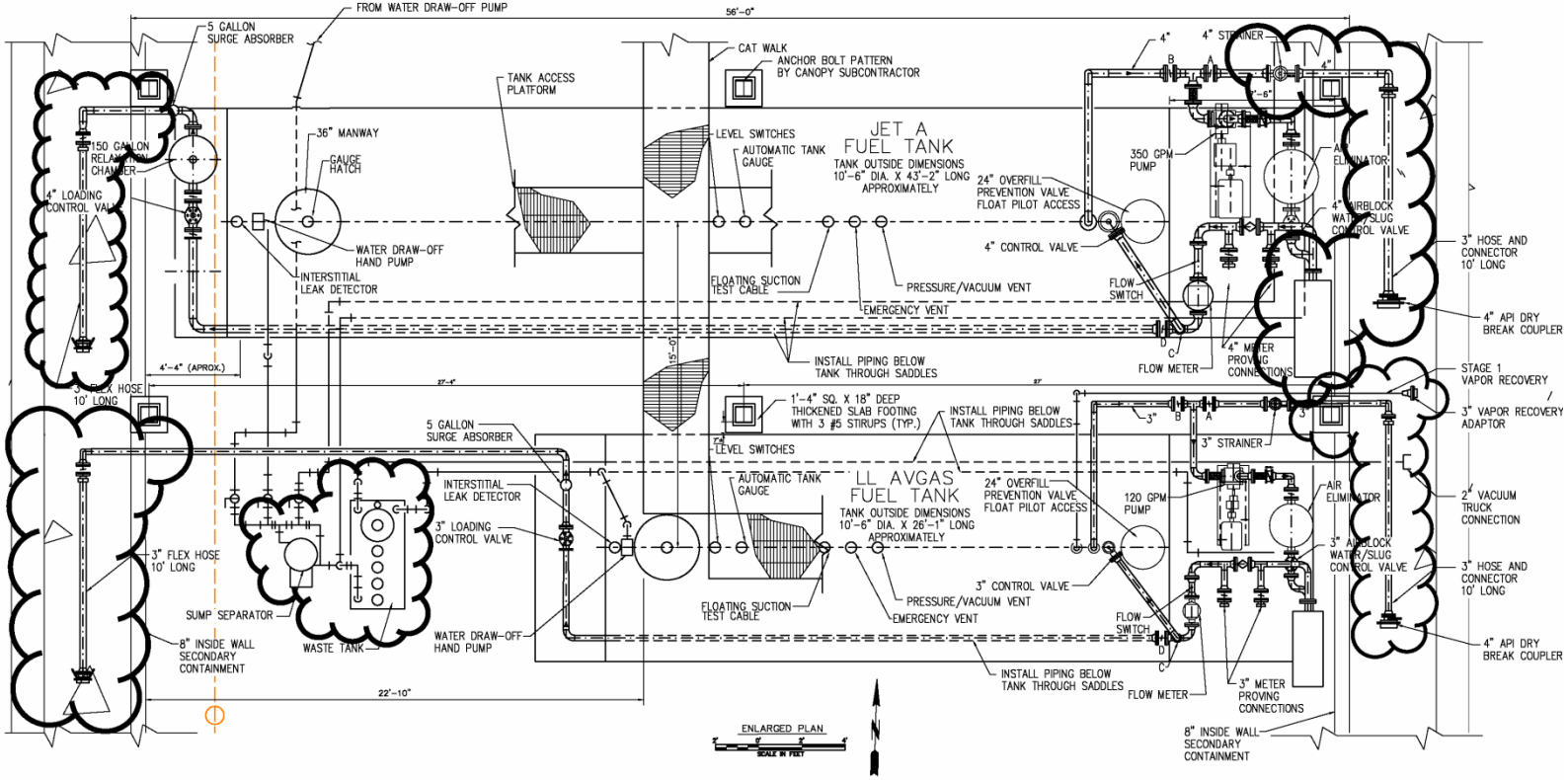
EXHIBIT "F"

LICENSEE'S GENERAL AREAS OF RESPONSIBILITY FOR MAINTENANCE AND REPAIR



LL AVGAS AND JET A FUEL TANK LAYOUT PLAN

This diagram is attached for the purpose of depicting Licensee's general area of responsibility for the maintenance and repair within the Fuel Farm and with respect to the Fuel Tanks and that no representation, warranty, or covenant is to be implied by its accuracy, deviation, from actual conditions or any other information shown including dimensions, locations, title, reference or classification. Should a arise between this Exhibit and the meaning of the License Agreement, the License Agreement shall prevail.



LL AVGAS AND JET A FUEL TANK LAYOUT PLAN

This diagram is attached for the purpose of depicting Licensee's general area of responsibility for the maintenance and repair within the Fuel Farm and with respect to the Fuel Tanks and that no representation, warranty, or covenant is to be implied by its accuracy, deviation, from actual conditions or any other information shown including dimensions, locations, title, reference or classification. Should a arise between this Exhibit and the meaning of the License Agreement, the License Agreement shall prevail.

EXHIBIT "G"

LIST OF AIRCRAFT OWNED OR LEASED BY LICENSEE

AIRCRAFT MAKE	AIRCRAFT MODEL	"N" NUMBER

AI-1131 **R2h**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: Infrastructure- Development Services

Council Goals: N/A

AGENDA CAPTION:

Approval of and authorizing the city manager to enter into the first amendment to the conventional hangar lease agreement with U.S. Aircraft for a conventional city-owned hangar at Addison Airport.

BACKGROUND:

U.S. Sport Aircraft, LLC currently leases the city-owned commercial hangar located at 4700 Airport Parkway with the primary term of the lease due to expire January 31, 2017. The proposed amendment reduces the tenant's contract rent $260 each month for the commercial hangar over the remaining term and adds six (6) adjacent city-owned patio hangars for $260 each per month. The net effect being the addition of 5 T-hangars to U.S. Sport Aircraft's leased property. The leasing of the additional 5 T-hangars results in an additional $15,600 in annual rental income to the airport.

Should at any time the tenant terminate their use of one or more of the patio hangars during the commercial lease term, the contract rent will automatically revert to the original contract rate.

RECOMMENDATION:

Administration recommends approval.

Attachments

Sport Aircraft First Amendment

William M. Dyer
Real Estate Manager
16051 Addison Road
Suite #220
Addison, Texas 75001

Main: 972-392-4850
Direct: 972-392-4856
Fax: 972-788-9334
bill.dyer@addisonairport.net

- M E M O R A N D U M -

To: Lisa Pyles

From: Bill Dyer

CC: Joel Jenkinson

Date: May 15, 2015

Re: ADS US Sport Aircraft, LLC. - Proposed First Amendment to Conventional Hangar Lease

---

Attached is the proposed First Amendment to Conventional Hangar Lease between ADS US Sport Aircraft, LLC and the Town of Addison for consideration and consent during the upcoming council meeting on May 26.

ADS US Sport Aircraft, LLC currently leases the city-owned commercial hangar located at 4700 Airport Parkway with the primary term of the lease due to expire January 31, 2017. The proposed amendment reduces the tenant's contract rent $260 each month over the remaining term in consideration of ADS US Sport Aircraft also leasing six (6) adjacent city-owned R1 patio hangars for $260 each per month, which are to be used in connection with their commercial operations. Should at any time the tenant terminate their use of one or more of the patio hangars during the commercial lease term, the contract rent will automatically revert to the original contract rate.

ADS US Sport Aircraft sells and leases light-sport aircraft and conducts flight training. They have been based at Addison Airport in their current location since 2011.

The proposed amendment is to be retroactive and made effective as of March 1, 2015. ADS US Sport Aircraft, LLC is in good standing with the airport. The city attorney has reviewed and approved the attached amendment to form suitable for the Town's purposes.

Contract #: 013B-8102

TOWN OF ADDISON, TEXAS
ADDISON AIRPORT

STATE OF TEXAS	**§**	
	§	**FIRST AMENDMENT TO CONVENTIONAL HANGAR LEASE**
COUNTY OF DALLAS	**§**	

This First Amendment to Conventional Hangar Lease (hereinafter referred to as the "Amendment") is made and entered into by and between Landlord and Tenant. Landlord and the Tenant are as follows:

Landlord: Town of Addison, Texas, a home-ruled municipality
c/o Airport Manager
16051 Addison Road, Suite 220
Addison, Texas 75001
Attn: Real Estate Manager

and

Tenant: ADS US Sport Aircraft, LLC
4700 Airport Parkway
Addison, Texas 75001
Attn: Patrick Arnzen, Manager

WITNESSETH:

Whereas, Landlord and Tenant entered into that Conventional Hangar Lease dated February 1, 2015, (the "Hangar Lease") for the period set forth in the Hangar Lease (the "Original Term"), under which Landlord leases to Tenant and the Tenant leases from Landlord the following Leased Premises ("the Property") situated at Addison Airport within the Town of Addison, Texas:

Property-Building: 013B-81

Physical Address: 4700 Airport Parkway – Addison, TX 75001

Whereas, Landlord and Tenant desire to amend the Hangar Lease subject to the terms and conditions set forth herein.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, in consideration of the terms, covenants and conditions set forth in the Hangar Lease and in this Amendment, the sum of Ten Dollars and No/100 ($10.00), and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Recitals.** All of the above and foregoing recitals and premises are incorporated herein and made a part of this Amendment for all purposes.

2. **Amendment.** Landlord and Tenant do hereby agree to amend and modify the Hangar Lease pursuant to the following terms and conditions:

   Paragraph 3 – Rent: Provided Tenant continues to lease and occupy four (4) patio hangars (commonly known as Units #R-10 #R-12, #R-14 #R-16 pursuant to its respective Aircraft Storage Rental Agreements (the "Patio Hangars") during the Term of this Hangar Lease without interruption, Tenant's annual rent under this Hangar Lease shall be decreased by $3,120 per year to now reflect Thirty-Two Thousand Two Hundred Twenty Dollars and 00/100 ($32,220.00) payable in twelve equal monthly installments of Two Thousand Six-Hundred Eighty-Five Dollars and 00/100 ($2,685.00). This Modified Rent shall first become due and payable the first day of the calendar month immediately following the Effective Date of this First Amendment to Conventional Hangar Lease and shall continue each month thereafter subject to any further adjustments provided for in Paragraph 4 – Adjustment of Rental of the Lease.

   Should Tenant cease leasing any of the Patio Hangars (by providing Landlord with its 30-day written notice to vacate pursuant to the terms of the Aircraft Storage Rental Agreements), or if any of the patio hangar leases are early terminated for any reason during the term of this Hangar Lease, Rent for this Hangar Lease shall revert to what it was immediately prior to this Amendment, notwithstanding any adjustments having been made pursuant to the Hangar Lease.

3. **No Other Amendments.** Except to the extent modified or amended herein, all other terms, conditions, provisions and obligations of the Hangar Lease shall remain unchanged and in full force and effect for and during the Term of the Hangar Lease.

4. **Authority to Execute.** The undersigned individual, officer and/or agent of the parties hereto are authorized and have the necessary authority to execute this Amendment on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions or other act extending such authority have been duly passed and are now in full force and effect.

Effective Date. This Amendment is entered into effective as of March 1, 2015.

IN WITNESS WHEREOF, the undersigned parties execute this First Amendment to Conventional Hangar Lease as of the _____ day of _____, 2015.

TENANT:

ADS US Sport Aircraft LLC
A Texas limited liability company

By:_____
Patrick Arnzen, Manager

LANDLORD:

Town of Addison, Texas
a home-ruled municipality

By:_____
Lea Dunn, City Manager

STATE OF TEXAS §
§
COUNTY OF DALLAS §

ADDISON AIRPORT

CONVENTIONAL HANGAR LEASE

This Hangar Lease (hereinafter referred to as the "Hangar Lease" or "Agreement") is made and entered into this 1st day of February, 2015 (the "Effective Date"), by and between the Town of Addison, Texas, a home-ruled municipality (hereinafter referred to as the "City" or "Landlord") and ADS US Sport Aircraft LLC, a Texas limited liability company, ("Tenant").

WITNESSETH:

WHEREAS, Landlord is the owner of the Addison Airport (hereinafter referred to as the "Airport") located in Dallas County, Texas; and

WHEREAS, the Airport is operated and managed for and on behalf of the City by URS Energy & Construction, Inc., an Ohio Corporation ("URS") and SAMI Management, Inc., a Texas corporation (severally and/or collectively hereinafter referred to as "Airport Manager" or "Manager"), pursuant to their respective operating agreements, as amended or modified, with the City; and

WHEREAS, Tenant desires to lease that certain hangar located within the Airport known as Building #013B with the public address known as 4700 Airport Parkway, Addison, Texas 75001 (hereinafter referred to as "the Premises" and as more fully described in **Exhibits "A", "B" and "C" attached hereto and made a part hereof**) and Landlord desires to lease the same to Tenant for the Term as defined below; and

WHEREAS, Landlord and Tenant hereby agree to enter into this Hangar Lease under the terms and conditions set forth hereinbelow.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is mutually acknowledged, Landlord and Tenant hereby agree as follows:

1. Demise. Landlord, for and in consideration of the rents, covenants and promises herein contained to be kept, performed and observed by Tenant and subject to the use of the Premises as described herein, by these presents does hereby lease unto Tenant, and Tenant, for and in consideration of the covenants and agreements herein reserved on the part of the Landlord to be kept and performed, does hereby lease and accept from Landlord, the Premises, subject to all matters of record in any way appertaining to the Premises.

2. Term: The term hereof shall commence the earlier of the date upon which Tenant is issued its Certificate of Occupancy by the Town of Addison or **February 1, 2015** (the "Commencement Date"). The term shall end on **January 31, 2017** (the "Expiration Date"), unless otherwise terminated as provided for herein.

3. Rental:

A. Tenant agrees to pay to Landlord, without offset or deduction, an annual Base Rent of **Thirty-three Thousand Six Hundred Dollars and No/100** (**$35,340.00**) payable in twelve (12) equal monthly installments in the amount of **Two Thousand Nine Hundred Forty- Five Dollars and No/100** (**$2,945.00**). The first such monthly installment shall be due and payable on or before the Commencement Date and then on or before the first day of each calendar month thereafter during the Term. The Base Rent is subject to periodic adjustments as provided herein.

B. **Prorated Rent**: If the Commencement Date is on a day other than the first day of a month, Tenant will pay Landlord as prorated rent, an amount equal to the Base Rent multiplied by the following fraction: the number of days from the Commencement Date to the first day of the following month divided by the number of days in the month in which this Lease commences. The prorated rent is due on or before the Commencement Date.

D. **Additional Rent**: In addition to the Base Rent and Prorated Rent, Tenant will pay Landlord all other amounts, as provided by the attached Utility Expense Reimbursement Addendum (Exhibit D). All amounts payable under the Addendum are deemed to be "rent" for the purpose of this Lease.

E. **Place of Payment**: Tenant will remit all amounts due Landlord under this Lease, checks made payable to "Addison Airport" to the following person at the place stated or to such other person or place as Landlord may later designate in writing:

Addison Airport
c/o Airport Manager
16051 Addison Road, Suite 220
Addison, Texas 75001

F. **Method of Payment**: Tenant must pay all rent timely without demand, deduction, or offset, except as permitted by law or this Lease. Tenant shall make payment of all rental owed by personal or corporate check, credit card or electronic transfer if acceptable to Landlord. Cash is not an acceptable form of payment of rent. If Tenant fails to timely pay any amounts due under this Lease, or if any check of Tenant is returned to Landlord by the institution on which it was drawn for insufficient funds, or if its credit card is denied more than three times in any twelve month period, Landlord, after providing written notice to Tenant, may require Tenant to pay subsequent amounts that become due under this Lease by cashier's check or money order only.

G. **Late Charges**: If Landlord does not actually receive a rent payment at the designated place of payment within ten (10) days after the date it is due, Tenant will pay Landlord a late charge equal to 5% of the amount due. In this paragraph, the mailbox is not the agent for receipt by Landlord. The Late Charge is a cost associated with the collection of rent and Landlord's acceptance of a late charge does not waive Landlord's right to exercise remedies under Paragraph 24 (Remedies of Landlord) herein.

If payment of a monthly installment of rental due under this Lease is made late (after the 10th day of the month) more than once in any three (3) month period, Tenant, upon the delivery of written notice to Tenant by Landlord ("Additional Deposit Notice"), of and among all other rights and remedies available to Landlord under this Agreement, shall be required to pay to Landlord an

amount equal to the then-current monthly rental installment (the "Additional Deposit") to be held and applied by Landlord as an addition to the Security Deposit delivered by Tenant and held on account by Landlord upon Tenant's execution of this Lease pursuant to subparagraph 3.H., below. If Tenant does not deliver the Additional Deposit to Landlord within ten (10) days after the delivery of the Additional Deposit Notice, such failure shall be an event of default under this Lease.

H. **Security Deposit:** Tenant and Landlord acknowledge that Landlord is holding the sum of **Two Thousand Eight Hundred Dollars and No/100 ($2,800.00)** on behalf of Tenant which said amount is being held on account as Tenant's "Security Deposit." Upon execution of this Agreement, Tenant agrees to pay to Landlord **One Hundred Forty-Four Dollars and 78/100 ($144.78)** to bring the Security Deposit held on account to equal one month's rent. Going forward, such Security Deposit shall be equal to one monthly installment of the rent unless otherwise adjusted as provided for in 3.G above.

1. If at any time during this Agreement the Security Deposit then held on account by Landlord becomes less than the prevailing monthly installment of Base Rent, Tenant will make an additional payment to Landlord so that the Security Deposit held by Landlord is increased to equal one monthly installment of Base Rent, unless otherwise adjusted as provided for in 3.G. above.

2. Landlord shall hold such Security Deposit without interest as security for the performance by Tenant of Tenant's covenants and obligations under this Lease.

3. The Security Deposit is not an advance payment of rent or a measure of liquidated damages in case of default by Tenant. Upon the occurrence of any event of default, Landlord may, from time to time, without prejudice to any other remedy provided herein or provided by law, use the Security Deposit to the extent necessary to make good any arrearages of rent and any other damage, injury, expense or liability caused to Landlord by such event of default. Following any such application of the Security Deposit, Tenant shall pay to Landlord, on demand, the amount so applied in order to fully restore the Security Deposit to its required amount.

4. If Tenant is not then in default hereunder, such Security Deposit, less any lawful deductions by Landlord, shall be returned by Landlord to Tenant with an accounting of said deductions taken no later than thirty (30) days following the termination or expiration of this Hangar Lease. Permitted deductions from said Security Deposit may include but not be limited to: unpaid rent; unpaid utilities incurred by Tenant; unpaid service charges; damages by Tenant to the Premises (beyond normal wear) or repairs by Landlord; replacement cost of Landlord's property that was in or attached to the Premises and is missing; unreturned keys; agreed reletting charges; cost of cleaning the Premises to a broom-swept condition if required; removal of any trash or debris left in the Premises; cost of the removal and storage of Tenant's personal property left or abandoned by Tenant or otherwise disposed of by Landlord; removal of unauthorized vehicles or aircraft left on the Premises; government fees or fines against Landlord because of Tenant; late fees and other costs of collection, interest earned on unpaid balances; attorneys' fees, court costs and filing fees.

4. Adjustment of Rental: Effective on each anniversary after the Commencement Date (hereinafter referred to as the "Adjustment Date"), the Base Rental due under Paragraph 3 shall be adjusted as follows:

1. A comparison shall be made between the Consumers' Price Index-All Items for the Dallas, Texas Metropolitan Area (hereinafter referred to as the "Price Index") as it existed on the Commencement Date (the "Base Consumer Price Index") and as it exists on the first day of the calendar month preceding the then applicable Adjustment Date (the "Adjustment Index").

2. The Base Rent for the two (2) year period beginning with and following the then applicable Adjustment Date shall be either increased or decreased, as the case may be, by the percentage of increase or decrease in the Price Index between the Base Consumer Price Index and the then applicable Adjustment Index, but in no event shall Base Rental ever be decreased below the Base Rental set forth in Paragraph 3.

(iii) In the event that the Price Index is unavailable for whatever reason for the computations set forth hereinabove, another index approximating the Price Index as closely as feasible shall be substituted therefor.

5. Use of Premises: The Premises shall be used and occupied by Tenant only for Commercial Aviation Use as more fully described as follows:

Aircraft Sales, Aircraft Assembly, Flight Training, Aircraft Maintenance, Aircraft Storage and Aircraft Demonstration.

For the purpose herein, Commercial Aviation Use is defined as any operation of a business enterprise whereby its core competency is dedicated to the general aviation industry and any such business practice is providing goods, services, or facilities for a commercial aeronautical purpose (including, without limitation, any activity by the Tenant securing earning, income, compensation, [including exchange or barter of goods, and services], and/or profit from said activities, whether or not such objectives are accomplished).

Any use of the Premises other than that indicated above is not permitted at any time without the prior written consent of Landlord. The Premises shall not be used or occupied for any concession for the sale or distribution of food, drinks, tobacco products, oil, gas, petroleum products or any activity of a similar character. Tenant agrees that no aircraft, vehicle or other equipment will be left unattended at any time outside the boundaries of the Premises or within any common area of the Airport, including the safety area, operating area and/or non-obstruction area of the Airport without the prior written consent of the Airport Manager. Tenant further agrees to cooperate and coordinate with adjacent tenants and Airport Management, when necessary, to facilitate aircraft movement along nearby taxilanes especially during periods of construction, maintenance and repair of Airport facilities.

6. Acceptance of Premises: Tenant acknowledges that Tenant has fully inspected the Premises and accepts the Premises as suitable for the purposes for which the same are leased in their present condition, "**AS IS, WHERE IS, WITH ALL FAULTS AND PATENT AND LATENT DEFECTS**". Without limiting anything in the foregoing, **THERE IS NO REPRESENTATION, PROMISE, COVENANT, AGREEMENT, GUARANTY OR WARRANTY OF ANY KIND**

OR CHARACTER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, OF THE CONDITION, QUALITY, SUITABILITY, MERCHANTABILITY, HABITABILITY, OR FITNESS OF THE PREMISES FOR ANY PARTICULAR PURPOSE WHATSOEVER GIVEN IN CONNECTION WITH THIS LEASE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION REGARDING SOIL CONDITIONS, AVAILABILITY OF UTILITIES, DRAINAGE, ZONING LAWS, ENVIRONMENTAL LAWS, OR ANY OTHER FEDERAL, STATE OR LOCAL STATUTES, CODES, REGULATIONS OR ORDINANCES.

7. Securing Governmental Approvals and Compliance with Law; Noise Abatement:

A. Tenant, at Tenant's sole cost and expense, shall obtain any and all governmental licenses, permits and approvals currently required for the use and occupancy of the Premises, as set forth in Paragraph 5 above.

B. Tenant shall, at Tenant's sole cost and expense, comply at all times with all governmental laws, codes, ordinances, rules, policies, and regulations applicable to the use and occupancy of the Premises, as set forth in Paragraph 5 above, as existing or as the same may be reasonably amended or modified.

C. Tenant shall, at Tenant's sole cost and expense, promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances caused by Tenant and arising out of the use and occupancy of the Premises, as set forth in Paragraph 5 above.

D. Tenant shall comply with noise abatement standards at the Airport and shall notify any aircraft operator using the Premises of such standards.

8. Assignment and Subletting:

A. Without the prior written consent of Landlord, Tenant shall have no power to and may not assign, sell, pledge, encumber, license, transfer, or otherwise convey (together, "assign" or "assignment") this Lease or any rights or obligation of Tenant hereunder or sublet the whole or any part of the Premises. Any such assignment or any subletting shall be null and void and may be deemed by Landlord (in Landlord's sole discretion) an event of default under Paragraph 23 (Default by Tenant) of this Lease. Any assignment or subletting shall be expressly subject to all the terms and provisions of this Lease, including the provisions of Paragraph 5 pertaining to the use of the Premises. In the event of any Landlord-approved transfer or subletting, Tenant shall not transfer Tenant's rights hereunder or sublet the Premises without first obtaining a written agreement from each such transferee or sublessee whereby each such transferee or sublessee agrees to be bound by the terms and provisions of this Hangar Lease. No such assignment or subletting shall constitute a novation. In the event of the occurrence of an event of default while the Premises are transferred or sublet, Landlord, in addition to any other remedies provided herein or by law, may, at Landlord's option, collect directly from such transferee or subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder. No direct collection by Landlord from any such transferee or subtenant shall release Tenant from the payment or performance of Tenant's obligations hereunder. Landlord's consent to any transfer or

subletting will not waive its rights, and it will not stop Landlord from exercising its rights, with respect to any other actual or proposed transfer or subletting, and Landlord's consent to any transfer will not relieve Tenant or any Guarantor of any liability to Landlord under this Lease or otherwise.

B. Notwithstanding the foregoing, if the Use of Premises defined in Paragraph 5 above is a Commercial Aviation Use, Landlord hereby acknowledges and consents to Tenant's subletting of the Premises for the purpose of renting hangar space for aircraft storage only, provided that each sublease is 1) is made available for Landlord's review and inspection upon written request, 2) said subleases are evidenced by written agreement, signed and executed by Tenant and Subtenant and has incorporated therein and fairly states:

1. each Subtenant agrees to be bound by the terms and provisions of the Hangar Lease, including the provisions of Paragraph 5 pertaining to the use of the Premises. In the event of any conflict between the terms of the Hangar Lease and the terms of the sublease, the terms of the Hangar Lease shall control;

2. no such subletting shall constitute a novation.

3. in the event of occurrence of an event of default while the Premises are assigned or sublet, Landlord, in addition to any other remedies provided herein or by law, may, at Landlord's option, collect directly from such assignee or subtenant all rents becoming due under such assignment or subletting and apply such rent against any sums due to Landlord hereunder.

4. Subtenant shall be obligated to obtain Landlord's consent to any action as to which Tenant is obligated to obtain such consent under the Hangar Lease;

5. any such sublease is to automatically terminate upon termination of the Hangar Lease notwithstanding any other provision of the sublease to the contrary;

6. Landlord shall have no responsibility or obligation for the performance by subtenant of its obligations under the sublease;

7. Neither this consent, the exercise by Landlord of its rights hereunder, nor the sublease or any other instrument shall give Subtenant any rights directly or indirectly against Landlord or create or impose any obligation, duty, responsibility, or liability of Landlord in favor of or for the benefit of subtenant.

Further, Tenant agrees that in no way does any sublease release Tenant from any of its covenants, agreements, liabilities and duties under the Hangar Lease; that this consent does not constitute approval by Landlord of the terms of any such sublease; nothing herein contained shall be deemed a waiver or release of any of the Landlord's rights under the Hangar Lease; that Tenant shall remain fully liable for the performance of each and every term, provision, covenant, duty and obligation of the Tenant under the Hangar Lease including, without limitation, the duty to make any and all payments of rent. Any violation of any terms and conditions of the Hangar Lease by a subtenant may constitute a default under the Hangar Lease. Tenant shall provide to Landlord the names and addresses of any subtenants and the make, model, aircraft type and "N" number of any aircraft stored or located on or in the Premises.

9. Property Taxes and Assessments: Tenant shall pay any and all property taxes or assessments levied or assessed on: (i) all improvements, fixtures, equipment or personal property comprising a part of or located upon the Premises; and (ii), the leasehold estate of Tenant created

hereby (hereinafter referred to as "Tenant's Taxes"). Upon the request of Landlord, Tenant shall, from time to time, furnish to Landlord "paid receipts" or other written evidence that all of Tenant's Taxes have been paid by Tenant. If any of Tenant's Taxes are included in tax statements delivered to Landlord, Tenant shall pay to Landlord that portion representing Tenant's Taxes within ten (10) days after Tenant's receipt of an invoice therefor from Landlord accompanied by evidence of Landlord's computation of the portion thereof representing Tenant's Taxes.

10. Maintenance and Repair of Premises:

A. Landlord shall, throughout the term hereof, except as otherwise expressly provided in this Lease and so long as Tenant is not in default of this Agreement beyond any applicable Cure Period, be responsible for all that is listed as Landlord's Responsibility in Exhibit E to this Agreement and incorporated herein by reference. Landlord shall, at Landlord's sole cost and expense, keep the Premises and all common facilities in compliance with all governmental laws, codes, ordinances, rules and regulations applicable hereto, except as otherwise provided in Paragraph 7 hereof. Landlord shall not be responsible for Tenant's or any third party's equipment and personal property comprising a part of or located upon the Premises.

B. Except as provided by subparagraph A. of this Paragraph 10, Tenant shall maintain the Premises in good order, condition and repair throughout the term of this Lease including, but not limited to, the "Tenant's Maintenance and Repair Responsibilities" itemized in Exhibit E to this Agreement and incorporated herein by reference. Tenant shall be responsible for any alterations, additions or improvements made by Tenant to the Premises and/or any improvements thereon. Tenant shall, throughout the term hereof, be responsible for all consumable supplies and repair of plumbing and water damage caused as a result of Tenant's failure to reasonably protect water pipes from freezing temperatures or misuse by Tenant, Tenant's employees, guests or invitees. Tenant shall be responsible for keeping the Premises free from waste and nuisance and shall, upon the expiration of the Lease Term, or any earlier termination of this Lease or repossession of the Premises by Landlord because of Tenant's default under this Lease, deliver the Premises clean and free of trash and in good condition, with all fixtures and equipment situated in or upon the Premises in the same condition as same existed on the Commencement Date, with reasonable wear and tear excepted.

C. In the event Tenant fails to so maintain the Premises and/or the improvements, fixtures, equipment and personal property comprising a part of or located upon the Premises, Landlord shall have the right (but not the obligation) to cause all repairs or other maintenance to be made, and the reasonable costs therefor expended by Landlord plus interest thereon as provided in Paragraph 39 shall be paid by Tenant to Landlord on demand.

D. If Tenant handles or stores flammable materials on the Premises, Tenant agrees to maintain proper safeguards with respect thereto and to comply with all requirements of Landlord's and Tenant's insurance companies and/or governmental authorities with respect to the storage, use and disposal of such materials.

11. Alterations, Additions and Improvements: Tenant shall not create any openings in the roof or exterior walls, or make any alterations, additions or improvements to the Premises without the prior written consent of Landlord. Landlord shall not unreasonably withhold its consent for non-structural alterations, additions or improvements. Tenant shall have the right to erect or

install shelves, bins, machinery, and trade fixtures, provided that Tenant complies with all applicable governmental laws, ordinances and regulations. All alterations, additions and improvements in and to the Premises shall be performed in accordance with law and in a first-class, workmanlike manner, and Tenant shall promptly pay and discharge all costs, expenses, claims for damages, liens and any and all other liabilities and obligations which arise in connection therewith.

12. Insurance:

A. If the use of the Premises defined in Paragraph 5 herein is for Commercial Aviation Use, Tenant shall procure and maintain throughout the Term, without interruption, a policy or policies of insurance, at Tenant's sole cost and expense, to meet or exceed the requirements specified in the then prevailing Addison Airport Minimum Standards and Requirements for Commercial Aeronautical Service Providers (the "Airport Minimum Standards") which may be amended or modified by the City from time to time. At any time over the Term the Airport Minimum Standards are either suspended, repealed or otherwise modified to the extent Tenant's use and occupancy of the Premises no longer require such insurance policies under the Airport Minimum Standards, Tenant shall procure and maintain throughout the Term, without interruption, the following insurance policies:

1. Commercial General Liability insurance against claims for bodily injury, death or property damage or destruction occurring on, in or about the Premises, with limits of liability of not less than $1,000,000 for each occurrence, CSL/$1,000,000 general aggregate. Coverage shall include blanket contractual liability for liability assumed under the Lease.

2. Statutory limits of Workers Compensation insurance and employer's liability with limits of liability of not less than $1,000,000.

3. Hangarkeepers Legal Liability insurance at limits of $1,000,000 per occurrence is required if Tenant is engaged in maintenance, repair or servicing of aircraft belonging to any third-party, or if Tenant is otherwise involved in any operation in which Tenant has care, custody or control of an aircraft that belongs to a third-party..

4. Aircraft Liability insurance for all Tenant-owned or operated aircraft with a minimum bodily injury and property damage per occurrence limit of $1,000,000 and $1,000,000 for personal and advertising injury.

B. If the use of Premises is strictly for Non-commercial Aviation Use, then Tenant shall provide over the Term without interruption the following policies of insurance: Aircraft Liability Insurance or another acceptable form of comprehensive Personal Liability Insurance with limits of liability not less than $1,000,000 each occurrence, Combined Single Limit (CSL) bodily injury and property damage of $1,000,000 in general aggregate.

C. All insurance policies required under this Paragraph 12 shall be endorsed to provide the following, as applicable: (i) in all liability policies, name as additional insureds the Landlord and Manager and their officials, officers, agents, and employees; (ii) in all liability policies, provide that such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of activities conducted under the permit, and that insurance applies separately to each insured against whom claim is made or suit is brought; and (iii) waiver of

subrogation in favor of Landlord and Manager must be included in all liability and Workers Compensation policies. All such policies shall be issued by an insurance company authorized to do business in Texas and in the standard form approved by the Texas Department of Insurance, if required, and shall be endorsed to provide for at least 30 days' advance written notice to Landlord of a material change in or cancellation of a policy. Certificates of insurance, satisfactory to Landlord, evidencing all coverage above, shall be furnished to Landlord prior to the Commencement Date, with complete copies of policies furnished to the Landlord upon request. Landlord reserves the right to review and revise from time to time the types of insurance and limits of liability required herein.

13. Casualty Damage or Destruction:

A. In case of any damage to or destruction of the buildings, structures, fixtures and equipment on the Premises, or any part thereof, Tenant shall promptly give written notice to Landlord, generally describing the nature and extent of such damage and/or destruction.

B. If the Premises (excluding Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any assignee, subtenant or other occupant of the Premises) should be substantially, totally, or partially destroyed or damaged by fire, tornado or other casualty, this Lease shall not terminate, but Landlord may, at Landlord's sole option and at Landlord's sole cost, expense and risk, proceed forthwith and use reasonable diligence to rebuild or repair the Premises (other than Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any permitted assignee, subtenant or other occupant or user of the Premises) to substantially the condition in which it existed prior to such destruction or damage; provided, however, that if Landlord elects not to rebuild or repair such damage or destruction, then this Lease shall terminate and rent shall be abated for the unexpired portion of this Lease, effective from the date of actual receipt by Landlord of the written notification of the damage from Tenant. If Landlord elects to rebuild or repair the Premises and the Premises is untenantable in whole or in part following such destruction or damage and during such period of rebuilding or repair, the rent payable hereunder shall be equitably adjusted for that period which it is untenantable. However, if the destruction was caused by the negligence, gross negligence, or willful or wanton act or omission of Tenant, its officers, employees, agents, subtenants, licensees, contractors, subcontractors, or invitees, rent shall not be abated and Tenant shall have the continuing obligation to pay rent during the period of such rebuilding or repair.

C. Landlord's election to pay for the cost of the repair or rebuilding of the Premises or any part thereof shall not extend beyond or exceed the proceeds of any casualty or property damage insurance payable and actually collected in connection with such damage or destruction. All insurance proceeds, if any, payable on account of such damage or destruction shall be held and retained by Landlord (whether or not such repair or rebuilding occurs or this Lease terminates).

14. Condemnation:

A. If, during the term hereof, any part of the Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, or is sold to a condemning authority under threat of condemnation, and after such taking by or sale to said condemning authority the remainder of the Premises is not susceptible to efficient and economic occupation and operation by Tenant, this Lease shall automatically terminate as of the date said condemning

authority takes possession of the Premises, and Landlord shall refund to Tenant any prepaid but unaccrued rental less any sum then owing by Tenant to Landlord.

B. If, after such taking by or sale to said condemning authority, the remainder of the Premises is susceptible to efficient and economic occupation and operation by Tenant, this Lease shall not terminate but the rental due hereunder shall be adjusted so that Tenant shall be required to pay for the remainder of the term hereof the sum obtained by multiplying each monthly rental installment due hereunder by a fraction, the numerator of which shall be the number of square feet remaining in the Premises after the taking by or sale to said condemning authority and the denominator of which shall be the square footage originally contained in the Premises. The rental adjustment called for herein shall either not commence or be suspended until said condemning authority actually takes possession of the condemned portion of the Premises. All other terms and provisions shall remain unchanged unless otherwise provided for herein.

C. Landlord shall receive the entire award or payment from any condemnation and Tenant shall have no claim to that award or for the value to Landlord of any unexpired term of this Lease; provided, however, that Tenant shall have the right to appear in any Condemnation proceeding or action to negotiate, prosecute and adjust any claim attributable to loss or damage to Tenant's trade fixtures and removable personal property, removal or relocation costs, and any loss to Tenant resulting from the unexpired portion of the Lease Term. If this Lease is not terminated pursuant to subparagraph A of this Paragraph, Landlord shall repair damage to the Premises caused by the condemnation (excluding Tenant's fixtures, furniture, equipment, personal property and leasehold improvements made by or on behalf of Tenant or any permitted assignee, subtenant or other occupant of the Premises), except that (i) Landlord shall not be obligated to repair any damage for which Tenant has been reimbursed by the condemning authority; and (ii) if the condemnation damages or payments received by Landlord are not sufficient to pay for such repair, Landlord shall have the right to terminate this Lease.

15. Utilities:

A. The party designated below will pay for the following utility charges serving the Premises and any connection/disconnection charges for the utilities. (Check or mark all that apply)

	N/A	Landlord	Tenant	Provided by Landlord & Reimbursed By Tenant (See Exhibit D)
1. Water				√
2. Sewer				√
3. Storm Water				√
4. Electric				√
5. Gas			√	
6. Telephone/Data			√	
7. Trash			√	
8. Cable			√	
9. All Other			√	

B. All utilities to be provided by Landlord and reimbursed by Tenant as indicated above shall be pursuant to Exhibit D – Utility Expense Reimbursement Addendum attached hereto and incorporated herein by reference.

C. The responsible party may select or change the utility service provider from time to time over the term of the Lease and the party designated above shall be responsible, at its sole cost and expense, for obtaining all utility connections at or for the Premises. If Tenant is the responsible party for obtaining any of the utility connections at or for the Premises, any access or alterations to the Premises or to the Airport necessary may be made only with Landlord's prior consent and at Tenant's sole expense. Should Landlord incur any liability for utility or connection charges for which Tenant is responsible to pay and Landlord pays such amount, Tenant will immediately upon written notice from Landlord reimburse Landlord such amount. Failure to reimburse Landlord as required upon notice is an event of default under this Lease.

D. Prior to executing this Lease Tenant should, at its sole costs and expense, determine whether all necessary utilities are available to the Premises and are adequate for Tenant's intended use.

E. Landlord shall in no event be liable or responsible for any cessation or interruption in any utility services to the Premises.

16. Common Facilities:

A. So long as Tenant is not in default hereunder beyond any applicable Cure Period, Tenant and Tenant's employees, agents, servants, customers and other invitees shall have the non-exclusive right to use all common facilities, improvements, equipment and services which may now exist or which may hereafter be provided by Landlord for the accommodation and convenience of Landlord's customers and tenants, including landing and takeoff facilities, means of ingress and egress to the Premises, other Airport installations, and all other reasonable services which may be provided without charge from time to time by Landlord in operating the Airport ("Common Facilities"). All such Common Facilities shall at all times be under the exclusive control and management of Landlord and may be rearranged, modified, changed or terminated from time to time at Landlord's sole discretion.

B. Tenant hereby acknowledges the existence of a certain unrecorded ingress/egress easement crossing the leased premises as shown and depicted in Exhibit B - Property Survey (the "Access Easement"). Tenant further acknowledges the purpose of this easement is for vehicular and pedestrian access to and from the Airport Common Facilities by Landlord's authorized users (and their employees, guests and other invitees) via what is commonly known as Airport Gate 4. Tenant shall not at any time block, interfere or otherwise impede the use or access to this easement and/or Airport Gate 4 by any such authorized user of the Airport Common Facilities. Landlord reserves the right to remove or cause to be removed and impounded or confiscated, at Tenant's sole cost and expense, any obstruction (including any vehicle or other type of tool or equipment) belonging to or otherwise placed by Tenant, Tenant's employees, guests or invitees contributing to the blockage, unsafe passage or unfretted use and access of the Access Easement as intended by Landlord. Tenant's failure to grant unrestricted and safe passage across the Access Easement by Landlord's authorized users of the Airport Common Facilities after receipt of written notice from Landlord is an event of default under this Lease and Landlord may, at its sole discretion, terminate this Lease without further notice or action by Landlord other than that required by law.

17. Special Events: Landlord may sponsor certain special events, including, but not limited to, air shows to be conducted on portions of the Airport, which may limit or obstruct access to the Premises and/or to the Airport ("Special Events"). As a material inducement to Landlord to enter into this Lease, and notwithstanding anything to the contrary contained herein, Tenant, on behalf of Tenant and on behalf of all directors, officers, shareholders, partners, principals, employees, agents, contractors, subtenants, licensees or concessionaires of Tenant, and on behalf of any other party claiming any right to use the Leased Premises by, through or under Tenant, hereby: (i) agrees that Landlord has the right to sponsor any or all Special Events and to allow use of portions of the Airport therefor even if the same limits or obstructs access to the Premises and/or to the Airport; (ii) releases, waives and discharges Landlord and Manager, and their respective officials, officers, employees and agents, from all liability for any loss, damage, cost, expense or claim arising or resulting from or pertaining to the limitation or obstruction of access to the Leased Premises and/or to the Airport from the conduct of Special Events and/or activities relating or pertaining thereto including, without limitation, death, injury to person or property or loss of business or revenue (the "Released Claims"); (iii) covenants not to sue the Landlord or Manager or their respective officials, officers, employees and agents (whether in their official or private capacities) for any Released Claims; (iv) agrees that the terms contained in this Paragraph are intended and shall be construed to be as broad and inclusive as possible under the laws of the State of Texas; and (v) agrees that if any portion of this Paragraph is held to be invalid or unenforceable, the remainder of this Paragraph shall not be affected thereby, but shall continue in full force and effect.

18. Rules and Regulations: Landlord has adopted Minimum Standards and Rules and Regulations (hereinafter referred to as the "Rules and Regulations") which shall govern Tenant's use of and conduct on the Premises and all Common Facilities, a copy of which has been or will be furnished to Tenant. The Rules and Regulations are incorporated by reference as if written verbatim herein, and Tenant agrees to comply fully at all times with them. Landlord shall have the right to amend, modify and alter the Rules and Regulations from time to time in a reasonable manner for the purpose of assuring the safety, welfare and convenience of Landlord, Tenant and all other Tenants and customers of the Airport.

19. Signs and Equipment: After first securing Landlord's approval, Tenant shall have the right from time to time to install signs depicting Tenant's name and to operate radio, communications, meteorological, aerial navigation and other equipment and facilities in or on the Premises that may be reasonably necessary for the operation of Tenant's business, provided such signs and equipment are installed and maintained in compliance with all applicable governmental laws, rules, policies, and regulations, and all reasonable changes to such rules, policies and regulations, including the Town of Addison's sign ordinance, and do not interfere with the operation of any navigation facilities or Airport communications (including, without limitation, navigation facilities or Airport communications used or operated by the Federal Aviation Administration).

20. Landlord's Right of Entry: Landlord and Landlord's authorized representatives shall have the right, during normal business hours, to enter the Premises: (i) to inspect the general condition and state of repair thereof, (ii) to make repairs permitted under this Lease, (iii) to show the Premises to any prospective tenant, purchaser, or lender, or (iv) for any other reasonable and lawful purpose. During the final one hundred eighty (180) days of the term hereof, Landlord and

Landlord's authorized representatives shall have the right to erect and maintain on or about the Premises customary signs advertising the Premises for lease.

21. Indemnity and Exculpation and Release:

A. Exculpation. The Town of Addison, Texas and all other Addison Persons and the Manager Persons (for purposes of this subparagraph A, as the terms "Addison Persons" and "Manager Persons" are defined in Subsection B below), shall not be liable to Tenant or to any Tenant Persons (for purposes of this subparagraph A, as the term "Tenant Persons" is defined in Subsection B below), or to any other person whomsoever, for any death or injury to persons or damage to or destruction of property or any other harm on or about the Premises or any adjacent area owned by Landlord caused by or resulting from any act or omission of Tenant or any Tenant Persons or any other person entering the Premises under express or implied invitation of Tenant or any Tenant Persons, or arising out of the use or occupation of the Premises by Tenant or by any Tenant Persons, in the performance of Tenant's obligations hereunder.

B. TENANT'S INDEMNITY OBLIGATION. Tenant agrees to and shall fully DEFEND (with counsel reasonably acceptable to Landlord), INDEMNIFY AND HOLD HARMLESS (i) the Town of Addison, Texas, and the elected officials, the officers, employees, agents, representatives, and volunteers of the Town of Addison, Texas, individually or collectively, in both their official and private capacities (the Town of Addison, Texas, and the elected officials, the officers, employees, representatives, and volunteers of the Town of Addison, Texas each being an "Addison Person" and collectively the "Addison Persons") and (ii) Airport Manager and Airport Manager's owners, officers, employees and agents (Airport Manager and Airport Manager's owners, officers, employees and agents each being a "Manager Person" and collectively the "Manager Persons"), from and against any and all claims, actions, proceedings, causes of action, demands, losses, liens, harm, damages, penalties, fines, liabilities, expenses, lawsuits, judgments, costs, and fees (including reasonable attorney fees and court costs) of any kind and nature whatsoever made upon, incurred by, suffered by, or asserted against any Addison Person or any Manager Person or the Premises, whether directly or indirectly, (collectively for purposes of this Section, "Damages"), that result from, relate to, or arise out of, in whole or in part, (i) any condition of the Premises caused in whole or in part by Tenant or by any of Tenant's owners, directors, shareholders, partners, managers, officers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, concessionaires, or any other person or entity for whom Tenant is legally responsible, and their respective owners, directors, shareholders, partners, officers, managers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, and concessionaires, or any other person acting by or under the authority or with the permission of Tenant, Tenant's tenants, or any other person entering the Premises under express or implied invitation of Tenant during the Lease Term (collectively, "Tenant Persons"), (ii) any construction on or repair to the Premises, or the Premises becoming out of repair due to the fault of Tenant or any Tenant Persons, for any reason including by failure of equipment, pipes, or wiring, or broken glass, or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into the Premises, regardless of the source, or by dampness or by fire, explosion, falling plaster or ceiling, (iii) representations or warranties by Tenant under this Lease, and/or (iv) any act or omission of Tenant or any Tenant Persons

under, in connection with, or in the performance of, this Lease. SUCH DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION SHALL AND DOES INCLUDE DAMAGES ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSON, THE AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON, OR BY ANY ACT OR OMISSION BY THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSON, THE AIRPORT MANAGER, OR ANY OTHER MANAGER PERSON THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND. However, Tenant's liability under this clause shall be reduced by that portion of the total amount of the Damages (excluding defense fees and costs) equal to the Addison Person or Addison Persons', or Manager Person or Manager Persons', (as the case may be) proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss. Likewise, Tenant's liability for any Addison Person's or any Manager Person's defense costs and attorneys' fees shall be reduced by that portion of the defense costs and attorneys' fees equal to Addison Person or Addison Persons', or Manager Person or Manager Persons', (as the case may be) proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss.

Tenant shall promptly advise Landlord in writing of any claim or demand against the Town of Addison, any other Addison Person, any Manager Person, or Tenant or any Tenant Person related to or arising out of Tenant's activities under this Lease and shall see to the investigation and defense of such claim or demand at Tenant's sole cost and expense. The Addison Persons and Manager Persons, as the case may be, shall have the right, at the Addison Persons' or Manager Persons' (as the case may be) option and at their own expense, to participate in such defense without relieving Tenant of any of its obligations hereunder.

C. Release. Tenant hereby **RELEASES** the Town of Addison, Texas and all other Addison Persons (as the term "Addison Persons" is defined in subsection B. of this Section) and Airport Manager and all other Manager Persons (as the term "Manager Persons" is defined in subsection B. of this Section) from, and agrees that the Town of Addison, Texas and all other Addison Persons, and Airport Manager and all other Manager Persons, shall not be liable to Tenant or any Tenant Persons (as the term "Tenant Persons" is defined in subsection B. of this Section) for (i) any death or injury to any person or persons or damage to or destruction of property of any kind resulting from the Premises becoming out of repair or by defect in or failure of equipment, pipes, or wiring, or broken glass, or by the backing up of drains, or by gas, water, steam, electricity or oil leaking, escaping or flowing into the Premises, regardless of the source, or by dampness or by fire, explosion, falling plaster or ceiling or for any other reason whatsoever, and for (ii) any loss or damage that may be occasioned by or through the acts or omissions of other tenants of Landlord or caused by operations in construction of any private, public or quasi-public work.

D. THE PROVISIONS OF THIS PARAGRAPH 21 SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS LEASE.

22. Environmental Compliance:

A. No Storage or Disposal: Tenant shall not install, store, use, treat, transport, discharge or dispose (or permit or acquiesce in the installation, storage, use, treatment, transportation, discharge or disposal by Tenant, its agents, employees, independent contractors, or

subtenants) on the Premises or any portion of the Common Facilities, any: (a) asbestos in any form; (b) urea formaldehyde foam insulation; (c) transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million; or (d) any other chemical, material, air pollutant, toxic pollutant, waste, or substance which is regulated as toxic or hazardous or exposure to which is prohibited, limited or regulated by the Resource Conservation Recovery Act, the Comprehensive Environmental Response Compensation and Liability Act, the Hazardous Materials Transportation Act, the Toxic Substances Control Act, the Clean Air Act, and/or the Clean Water Act or any other federal, state, county, regional, local or other governmental authority, laws, rules or regulation, or which, even if not so regulated may or could pose a hazard to the health and safety of the occupants of the Premises and/or any portions of the Common Facilities, and which is either: (i) in amounts in excess of that permitted or deemed safe under applicable law; or (ii) in any manner which is prohibited or deemed unsafe under applicable law. (The substances referred to in (a), (b), (c) or (d) are collectively referred to hereinafter as "Hazardous Materials").

B. Cleanup Laws; Tenant's Indemnity Obligation:

1. Tenant shall, at Tenant's sole cost and expense, comply with any presently existing or hereafter enacted laws, and all reasonable rules, standards, regulations, or policies relating to Hazardous Materials (collectively, "Cleanup Laws"). In furtherance and not in limitation of the foregoing, Tenant shall, at Tenant's sole cost and expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the "Authority") under the Cleanup Laws. Should any Authority require that a cleanup plan be prepared and that a cleanup be undertaken because of the existence of Hazardous Materials which were installed, stored, used, treated, transported, disposed of or discharged on the Premises and/or any portion of the Common Facilities by (i) Tenant, or by (ii) any of Tenant's owners, directors, shareholders, partners, managers, officers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, concessionaires, or any other person or entity for whom Tenant is legally responsible, and/or their respective owners, directors, shareholders, partners, officers, managers, employees, agents, representatives, engineers, consultants, contractors, subcontractors, tenants, licensees, invitees, patrons, and concessionaires, or by (iii) any person acting by or under the authority or with the permission of Tenant, Tenant's tenants, or any other person entering the Premises under express or implied invitation of Tenant during the Term of this Lease, Tenant shall, at Tenant's own cost and expense, prepare and submit the required plans and financial assurances and carry out the approved plans in accordance with such Cleanup Laws and to Landlord's satisfaction. At no expense to Landlord, Tenant shall promptly provide all information requested by Landlord for preparation of affidavits or other documents required by Landlord to determine the applicability of the Cleanup Laws to the Premises and/or any portion of the Common Facilities, as the case may be, and shall sign the affidavits promptly when requested to do so by Landlord.

2. **Tenant's Indemnity Obligation. Without limiting any other indemnity, hold harmless, and defense obligation of Tenant set forth in this Lease, Tenant agrees to and shall fully DEFEND (with counsel reasonably acceptable to Landlord), INDEMNIFY, AND HOLD HARMLESS the Town of Addison, Texas and all other Addison Persons (as the term "Addison Persons" is defined in subsection B of Section 21, above), and the Manager Persons (as the term "Manager Persons" is defined in subsection B of Section 21, above), from and against, and reimburse the Town of Addison, Texas, all other Addison Persons, the Airport**

Manager and all other Manager Persons (as the case may be) for, any and all obligations, damages, injunctions, fines, penalties, demands, claims, costs, fees, charges, expenses, actions, causes of action, judgments, liabilities, suits, proceedings, harm, and losses of whatever kind or nature (including, without limitation, attorneys' fees and court costs), and all cleanup or removal costs and all actions of any kind arising out of or in any way connected with the installation, storage, use, treatment, transporting, disposal or discharge of Hazardous Materials in, on, under, above, or to the Premises and/or any portion of the common facilities or any portion of the Airport or adjacent properties by Tenant or by any Tenant Persons (as the term "Tenant Persons" is defined in subsection B of Section 21, above); and from all fines, penalties, suits, judgments, procedures, proceedings, claims, actions, and causes of action of any kind whatsoever arising out of Tenant's or any of Tenant Persons' failure to provide all information, make all submissions and take all steps required by the Authority under the Cleanup Laws or any other law, rules, regulation, standard, order, or policy (environmental or otherwise). SUCH DEFENSE, INDEMNITY, AND HOLD HARMLESS OBLIGATION SHALL AND DOES INCLUDE DAMAGES ALLEGED OR FOUND TO HAVE BEEN CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OR GROSS NEGLIGENCE OF THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSONS, THE AIRPORT MANAGER OR ANY OTHER MANAGER PERSONS, OR BY ANY ACT OR OMISSION OF OR BY THE TOWN OF ADDISON, TEXAS, ANY OTHER ADDISON PERSONS, THE AIRPORT MANAGER OR ANY OTHER MANAGER PERSONS THAT WOULD GIVE RISE TO STRICT LIABILITY OF ANY KIND. However, Tenant's liability under this clause shall be reduced by that portion of the total amount of the Damages (excluding defense fees and costs) equal to the Addison Person or Addison Persons', or Manager Person or Manager Persons', (as the case may be) proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss. Likewise, Tenant's liability for any Addison Person's or any Manager Person's defense costs and attorneys' fees shall be reduced by that portion of the defense costs and attorneys' fees equal to Addison Person or Addison Persons', or Manager Person or Manager Persons', (as the case may be) proportionate share of the negligence, or conduct that would give rise to strict liability of any kind, that caused the loss.

Tenant's obligations and liabilities under this subparagraph shall continue (and survive the termination or expiration of this Lease) so long as there may be Hazardous Materials at the Premises and/or any portion of the common facilities or any portion of the Airport or adjacent properties, that were installed, stored, used, treated, transported, disposed of or discharged during the Lease Term by Tenant or any of Tenant Persons. In addition to and not in limitation of Landlord's other rights and remedies, Tenant's failure to abide by the terms of this Section shall be restrainable by injunction.

C. Environmental Notices: Tenant shall promptly supply Landlord ad Airport Manager with copies of any notices, correspondence and submissions made by Tenant to or received by Tenant from any governmental authorities of the United States Environmental Protection Agency, the United States Occupational Safety and Health Administration, the FAA, TxDOT, or any other local, state or federal authority that requires submission of any information concerning environmental matters or Hazardous Materials.

D. Survival: Tenant's obligations and liability pursuant to the terms of this Paragraph 22 shall survive the expiration or earlier termination of this Lease.

23. Default by Tenant: The following events shall be deemed to be events of default by Tenant under this Lease:

A. Failure of Tenant to pay any installment of rent, or to pay or cause to be paid taxes (to the extent Tenant is obligated to pay or cause same to be paid), utilities, insurance premiums, or any other sum payable to Landlord hereunder on the date that same is due, and such failure shall continue thereafter for a period of ten (10) days and such failure shall not be cured within ten (10) days after written notice thereof to Tenant.

B. Failure of Tenant to comply with any term, condition or covenant of this Lease, other than the payment of rent or other sum of money, and such failure shall not be cured within thirty (30) days after written notice thereof to Tenant.

C. Tenant shall fail to deliver the Additional Deposit to Landlord within ten (10) days after the delivery by Landlord to Tenant of the Additional Deposit Notice.

D. Insolvency, the making of a transfer in fraud of creditors, or the making of an assignment for the benefit of creditors by Tenant or any guarantor of Tenant's obligations.

E. Filing of a petition under any Paragraph or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any state thereof by Tenant or any guarantor of Tenant's obligations, or adjudication as a bankrupt or insolvent in proceedings filed against Tenant or such guarantor.

F. Appointment of a receiver or trustee for all or substantially all of the assets of Tenant or any guarantor of Tenant's obligations.

G. Abandonment by Tenant of any substantial portion of the Premises or cessation of use of the Premises for the purposes leased.

24. Remedies of Landlord: Upon the occurrence of any of the events of default listed in Paragraph 23, Landlord shall have the option to pursue any one or more of the following remedies without notice or demand whatsoever:

A. Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord. If Tenant fails to surrender the Premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the Premises or arrearages in rent and without further notice or demand, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim for damages therefor. Tenant shall pay to Landlord on demand the amount of all loss and damages which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise.

B. Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord. If Tenant fails to so surrender the Premises, Landlord may, without prejudice to any other remedy which Landlord may have for possession of the Premises or arrearages in rent and without further notice or demand, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof,

without being liable for prosecution or any claim for damages therefor. Tenant shall pay to Landlord on the date of such termination damages in any amount equal to the excess, if any, of the total amount of all monthly rental and other amounts to be paid by Tenant to Landlord hereunder for the period which would otherwise have constituted the unexpired portion of the term of this Lease over the then fair market rental value of the Premises for such unexpired portion of the term of this Lease.

C. Enter upon and take possession of the Premises without terminating this Lease and without being liable for prosecution or for any claim for damages therefor, and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof. Landlord may (but shall not be required to) relet the Premises and receive the rent therefor. Tenant agrees to pay to Landlord monthly or on demand from time to time any deficiency that may arise by reason of any such reletting. In determining the amount of such deficiency, brokerage commissions, attorneys' fees, remodeling expenses and other costs of reletting shall be subtracted from the amount of rent received under such reletting.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, conditions and covenants herein contained. If any of Tenant's property ("Tenant Property") remains upon the Premises upon the expiration of the Lease term or any earlier termination of this Lease or any repossession of the Premises by Landlord because of Tenant's default under this Lease, Landlord shall have the right to remove such Tenant Property from the Premises and store such Tenant Property, and Tenant shall be obligated to reimburse Landlord for all of the costs incurred by Landlord in removing and storing such Tenant Property. Landlord shall not be required to release any Tenant Property to Tenant until Tenant has paid Landlord all costs incurred by Landlord in removing and storing such Tenant Property and all other amounts owed by Tenant to Landlord pursuant to this Lease, including, without limitation, unpaid rental and costs incurred by Landlord to repair the Premises.

25. Default by Landlord: No default by Landlord hereunder shall constitute an eviction or disturbance of Tenant's use and possession of the Premises or render Landlord liable for damages or entitle Tenant to be relieved from any of Tenant's obligations hereunder (including the obligation to pay rent) or grant Tenant any right of deduction, abatement, set-off or recoupment or entitle Tenant to take any action whatsoever with regard to the Premises or Landlord until thirty (30) days after Tenant has given Landlord written notice specifically setting forth such default by Landlord, and Landlord has failed to cure such default within said thirty (30) day period, or in the event such default cannot be cured within said thirty (30) day period then within an additional reasonable period of time so long as Landlord has commenced curative action within said thirty (30) day period and thereafter is diligently attempting to cure such default. If any mortgagee of Landlord has given Tenant its address for notices and specifically requests such notice, Tenant agrees to give the notice required hereinabove to such mortgagee at the time Tenant gives same to Landlord, and to accept curative action, if any, undertaken by such mortgagee as if such curative action had been taken by Landlord.

26. Waiver of Subrogation: Each party hereto waives any and every claim which arises or may arise in such party's favor against the other party hereto during the term of this Lease

for any and all loss of, or damage to, any of such party's property located within or upon, or constituting a part of the Premises, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under such insurance policies. Such mutual waivers shall be in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease with respect to any loss of, or damage to, property of the parties hereto. Inasmuch as such mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation or otherwise to an insurance company (or any other person), each party hereby agrees immediately to give to each insurance company which has issued to such party policies of fire and extended coverage insurance, written notice of the terms of such mutual waivers, and to cause such insurance policies to be properly endorsed, if necessary, to prevent the invalidation of such insurance coverages by reason of such waivers.

27. Title to Improvements: The Town of Addison, Texas, solely owns the Premises. Any and all improvements made to the Premises by Tenant shall become the property of Landlord upon the expiration or termination of this Lease; provided, however: (i) if Tenant is not then in default hereunder, Tenant shall have the right to remove all personal property, equipment, or trade fixtures owned by Tenant from the Premises, but Tenant shall be required to repair any damage to the Premises caused by such removal in a good and workmanlike manner and at Tenant's sole cost and expense; and (ii) Landlord may elect to require Tenant to remove all improvements made to the Premises by Tenant and restore the Premises to the condition in which the same existed on the Commencement Date hereof, in which event Tenant shall promptly perform such removal and restoration in a good and workmanlike manner and at Tenant's sole cost and expense. If Tenant fails or refuses to remove any or all of Tenant's personal property, equipment, and trade fixtures from the Premises on or before the date of the termination of this Lease, the items which Tenant has failed or refused to remove: (i) shall be considered abandoned by Tenant, (ii) shall become the property of Landlord, and (iii) may be disposed of by Landlord in any manner desired by Landlord in Landlord's unfettered discretion.

28. Mechanics' and Materialmen's Liens: TENANT AGREES TO DEFEND, INDEMNIFY AND HOLD LANDLORD HARMLESS OF AND FROM ALL LIABILITY ARISING OUT OF THE FILING OF ANY MECHANICS' OR MATERIALMEN'S LIENS AGAINST THE PREMISES BY REASON OF ANY ACT OR OMISSION OF TENANT OR ANYONE CLAIMING UNDER TENANT, AND LANDLORD, AT LANDLORD'S OPTION, MAY SATISFY SUCH LIENS AND COLLECT THE AMOUNT EXPENDED FROM TENANT TOGETHER WITH INTEREST THEREON AS PROVIDED IN PARAGRAPH 39 AS ADDITIONAL RENT; PROVIDED, HOWEVER, THAT LANDLORD SHALL NOT SO SATISFY SUCH LIENS UNTIL THIRTY (30) DAYS AFTER WRITTEN NOTIFICATION TO TENANT OF LANDLORD'S INTENTION TO DO SO AND TENANT'S FAILURE DURING SUCH THIRTY (30) DAY PERIOD TO BOND SUCH LIENS OR ESCROW FUNDS WITH APPROPRIATE PARTIES TO PROTECT LANDLORD'S INTEREST IN THE PREMISES.

29. Title: Tenant accepts the Premises subject to: (i) the Addison Airport Minimum Standards and Requirements For Commercial Aeronautical Service Providers adopted March 1, 2004 as amended or modified from time to time, and the prevailing Addison Airport Rules and Regulations; (ii) easements and rights-of-way; and (iii) zoning ordinances and other ordinances, laws, statutes or regulations now in effect or hereafter promulgated by any governmental authority having jurisdiction over the Premises.

30. Quiet Enjoyment and Subordination: Landlord covenants, represents and warrants that Landlord has full right and power to execute and perform this Lease and to grant the estate demised herein, and that Tenant, upon payment of the rents herein reserved, and performance of the terms, conditions, covenants and agreements herein contained, shall peaceably and quietly have, hold and enjoy the Premises during the full term of this Lease; provided, however, that Tenant accepts this Lease subject and subordinate to any recorded mortgage, deed of trust or other lien presently existing upon the Premises. Landlord further is hereby irrevocably vested with full power and authority by Tenant to subordinate Tenant's interest hereunder to any mortgage, deed of trust or other lien now existing or hereafter placed on the Premises or to declare this Lease prior and superior to any mortgage, deed of trust or other lien now existing or hereafter placed on the Premises. Tenant agrees upon demand to execute such further instruments subordinating this Lease as Landlord may request, provided such subordination shall be upon the express conditions that (i) this Lease shall be recognized by the mortgagee and that all of the rights of Tenant shall remain in full force and effect during the full term of this Lease so long as Tenant pays and performs all of the duties and obligations of Tenant under this Lease; and (ii) in the event of foreclosure or any enforcement of any such mortgage, deed of trust or other lien, the rights of Tenant hereunder shall expressly survive and this Lease shall in all respects continue in full force and effect so long as Tenant shall fully perform all Tenant's obligations under this Lease. Tenant also agrees upon demand to execute further instruments declaring this Lease prior and superior to any mortgage, deed of trust or other lien and specifically providing that this Lease shall survive any foreclosure of such mortgage, deed of trust or other lien. Upon any foreclosure of any mortgage, deed of trust or other lien now existing or hereafter placed on the Premises, Tenant agrees to attorn to and recognize as landlord hereunder, the purchaser of Landlord's interest in the Premises at any foreclosure sale pursuant to any such mortgage, deed of trust or other lien, if Tenant is required to do so by the applicable party.

31. Access and Egress: Landlord reserves, and Tenant hereby grants to Landlord, the full and unrestricted access to and egress from that portion of the Premises on which buildings are not located for Landlord, its tenants, employees, guests, patrons, invitees, contractors, suppliers of materials, furnishers of services, its or their equipment, vehicles, machinery and other property, and Manager, its officers, employees and agents, without charge to Landlord or to said persons or entities.

32. Rent on Net Return Basis: It is intended that the rent provided for in this Lease shall be an absolutely net return to Landlord for the term of this Lease, free of any loss, expenses or charges with respect to the Premises including, without limitation, maintenance, repairs, replacement, insurance, taxes and assessments, and this Lease shall be construed in accordance with such intention.

33. Holding Over: Should Tenant, or any of Tenant's successors in interest fail to surrender the Premises, or any part thereof, on the expiration of the term of this Lease, such holding over shall constitute a tenancy from month to month only terminable at any time by either Landlord or Tenant after thirty (30) days' prior written notice to the other, at a monthly rental equal to one hundred fifty percent (150%) of the rent paid for the last month of the term of this Lease.

34. Waiver of Default: No waiver by the parties hereto of any default or breach of any term, condition or covenant of this Lease shall be deemed to be a waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein.

35. Release of Landlord Upon Transfer: All of Landlord's personal liability for the performance of the terms and provisions of this Lease (except for any liability accruing prior to such transfer) shall terminate upon a transfer of the Premises by Landlord, provided that the obligations of Landlord under this Lease are covenants running with the land and shall be binding upon the transferee of Landlord's interest in this Lease and the Premises.

36. Attorneys' Fees: If, on account of any breach or default by Landlord or Tenant of their respective obligations under this Lease, it shall become necessary for the other to employ an attorney to enforce or defend any of such party's rights or remedies hereunder, and should such party prevail, such party shall be entitled to collect reasonable attorneys' fees incurred in such connection from the other party.

37. Financial Information: Tenant agrees that Tenant will from time to time, upon the written request of Landlord during the term of this Lease furnish to Landlord such credit and banking references as Landlord may reasonably request.

38. Estoppel Certificates:

A. Tenant agrees that from time to time, upon not less than thirty (30) days' prior written request by Landlord, Tenant will deliver to Landlord a statement in writing certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease as modified is in full force and effect and stating the modifications); (ii) the dates to which rent and other charges have been paid; (iii) Landlord is not in default under any term or provision of this Lease or if in default the nature thereof in detail in accordance with an exhibit attached thereto; (iv) that, if requested by Landlord, Tenant will not pay rent more than one (1) month in advance and that this Lease will not be amended without notice to Landlord's mortgagee and that the same will not be terminated without the same notice required by the Lease to be furnished to Landlord also being furnished to Landlord's mortgagee and Landlord's mortgagee fails to cure such default within the curative period allowed Landlord under this Lease; and (v) any other information pertaining to Landlord, Tenant, this Lease or the Premises reasonably requested by Landlord.

B. Landlord agrees that from time to time, upon not less than thirty (30) days' prior written request by Tenant, Landlord will deliver to Tenant a statement in writing certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the lease as modified is in full force and effect and stating the modifications); (ii) the dates to which rent and other charges have been paid; and/or (iii) Tenant is not in default under any term or provision of this Lease or if in default the nature thereof in detail in accordance with an exhibit attached thereto.

39. Interest on Tenant's Obligations and Manner of Payment: All monetary obligations of Tenant to Landlord under this Lease remaining unpaid ten (10) days after the due date of the same (if no due date has been established under other provisions hereof, the "due date" shall be the date upon which Landlord demands payment from Tenant in writing) shall bear interest per annum at the greater of ten percent (10%) or the highest non-usurious rate then allowed by law from

and after said tenth (10th) day until paid. If more than twice during the term of the Lease Tenant's personal or corporate check is not paid by the bank on which it is drawn for whatever reason, Landlord may require by giving written notice to Tenant that the payment of all future monetary obligations of Tenant under this Lease are to be made on or before the due date by cashier's check, certified check or money order, and the delivery of Tenant's personal or corporate check will no longer constitute payment of such monetary obligations. Any acceptance by Landlord of a personal or corporate check after such notice shall not be deemed or construed as a waiver or estoppel of Landlord to require other payments as required by said notice.

40. Landlord's Lien: In addition to the constitutional and statutory Landlord's liens, **TENANT HEREBY GRANTS TO LANDLORD A SECURITY INTEREST TO SECURE PAYMENT OF ALL RENT DUE HEREUNDER FROM TENANT, UPON ALL GOODS, WARES, EQUIPMENT, FIXTURES, FURNITURE AND OTHER PERSONAL PROPERTY OWNED BY TENANT AND SITUATED IN OR UPON THE PREMISES, TOGETHER WITH THE PROCEEDS FROM THE SALE OR LEASE THEREOF.** Such property shall not be removed without the consent of Landlord until all arrearages in rent then due to Landlord hereunder shall have been paid and discharged. Upon Tenant's failure to pay rent due within ten (10) days after the due date, Landlord may, in addition to any other remedies provided herein or by law, enter upon the Premises and take possession of any and all goods, wares, equipment, fixtures, furniture and other personal property owned by Tenant and situated on the Premises without liability for trespass or conversion, and sell the same at public or private sale with or without having such property at the sale, after giving Tenant reasonable notice of the time and place of any such sale. Landlord has no right to and has no security interest in and may not take possession of any property which may be situated on the Premises but which is not owned by Tenant, including but not limited to property which may be owned by another and leased and/or loaned to Tenant. Unless otherwise required by law, notice to Tenant of such sale shall be deemed sufficient if given in the manner prescribed in this Lease at least thirty (30) days before the time of the sale. Any public sale made under this paragraph shall be deemed to have been conducted in a commercially reasonable manner if held in the Premises or where the property is located, after the time, place and method of sale and a general description of the types of property to be sold have been advertised in a daily newspaper published in Dallas County, Texas, for five (5) consecutive days before the date of the sale. Landlord or Landlord's assigns may purchase at a public sale and, unless prohibited by law, at a private sale. The proceeds from any disposition dealt with in this paragraph, less any and all expenses connected with the taking of possession, holding and selling of the property including reasonable attorneys' fees and legal expenses), shall be applied as a credit against the indebtedness secured by the security interest granted herein. Any surplus shall be paid to Tenant or as otherwise required by law, and Tenant shall pay any deficiency forthwith. Upon request by Landlord, Tenant agrees to execute and deliver to Landlord financing statements in form sufficient to perfect the security interest of Landlord in the aforementioned property and proceeds thereof under the provisions of the Texas Business and Commerce Code. The constitutional and statutory liens for rent are expressly reserved; the security interest herein granted is in addition and supplementary thereto.

41. Corporate Execution: If Tenant is a corporation or if this Lease shall be assigned by Tenant to a corporation or if Tenant sublets all or a portion of the Premises to a corporation, such corporation hereby agrees to execute and deliver to Landlord from time to time during the term of this Lease such instruments as Landlord may reasonably request to evidence: (i) the authority of such corporation to transact business good standing with the State of Texas; and (ii) the authority of

the officers of such corporation to execute this Lease or other documents in connection with this Lease.

42. Joint and Several Liability: If more than one person or entity is defined as Tenant in this Lease, all of the duties, obligations, promises, covenants and agreements contained in this Lease to be paid and performed by Tenant shall be the joint and several obligation of all persons or entities defined as Tenant. Each person or entity defined as Tenant agrees that Landlord, in Landlord's sole discretion, may: (i) institute or bring suit against them, jointly and severally, or against any one or more of them; (ii) compromise or settle with any one or more of them for such consideration as Landlord may deem proper; and (iii) release one or more of them from liability hereunder, and that no such action by Landlord shall impair or affect Landlord's rights to collect costs, expenses, losses or damages incurred or suffered by Landlord from the other persons or entities defined as Tenant, or any of them, not so sued, compromised, settled with or released.

43. Certificate of Occupancy: Tenant may, prior to the commencement of the term of this Lease, apply for a Certificate of Occupancy to be issued by the Town of Addison. If for any reason, beyond the reasonable control of Tenant, Tenant is unable to secure a Certificate of Occupancy within thirty (30) days of said Commencement Date, Tenant may terminate this Lease provided Tenant has given Landlord written notice of all deficiencies preventing the issuance of said Certificate of Occupancy in favor of Tenant and Landlord fails to cure or otherwise resolve the deficiency(ies) within ten (10) business days of Landlord's receipt of Tenant's written notice. Nothing herein contained shall obligate Landlord to install any additional electrical wiring, plumbing or plumbing fixtures, or other fixtures or equipment or any other improvements whatsoever which are not presently existing in the Premises, or which have not been expressly agreed upon by Landlord in writing.

44. Independent Contractor: It is understood and agreed that in leasing and operating the Premises, Tenant is acting as an independent contractor and is not acting as agent, partner, joint venturer or employee of Landlord.

45. Force Majeure: In the event performance by Landlord of any term, condition or covenant in this Lease is delayed or prevented by an Act of God, strike, lockout, shortage of material or labor, restriction by any governmental authority, civil riot, flood, or any other cause not within the control of Landlord, the period for performance of such term, condition or covenant shall be extended for a period equal to the period Landlord is so delayed or hindered.

46. Exhibits: All exhibits, attachments, annexed instruments and addenda referred to herein shall be considered a part hereof for all purposes with the same force and effect as if copied verbatim herein.

47. Use of Language: Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular shall be held to include the plural, unless the context otherwise requires.

48. Captions: The captions or headings or paragraphs in this Lease are inserted for convenience only, and shall not be considered in construing the provisions hereof if any question of intent should arise.

49. Successors: The terms, conditions and covenants contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto and their respective successors in interest and legal representatives except as otherwise herein expressly provided. All rights, powers, privileges, immunities and duties of Landlord under this Lease including, but not limited to, any notices required or permitted to be delivered by Landlord to Tenant hereunder may, at Landlord's option, be exercised or performed by Landlord's agent or attorney.

50. Severability: If any provision in this Lease should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby.

51. Notices: Any notice or document required to be delivered hereunder may be delivered in person or shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage prepaid as registered or certified mail (return receipt requested is optional by sender), addressed to the parties at the addresses indicated below, or at such other addresses as may have theretofore been specified by written notice delivered in accordance herewith.

TO LANDLORD:	TO TENANT:
Town of Addison, Texas c/o Addison Airport 16051 Addison Road, Suite 220 Addison, Texas 75001 Attn: Real Estate Manager and Town of Addison, Texas 5300 Beltline Road Dallas, TX 75001-9010	ADS US Sport Aircraft LLC 4700 Airport Parkway Addison, Texas 75001 Attn: Patrick Arnzen Title: Manager

52. Fees or Commissions: Each party hereto hereby covenants and agrees with the other that such party shall be solely responsible for the payment of any brokers', agents' or finders' fees or commissions agreed to by such party arising from the execution of this Lease or the performance of the terms and provisions contained herein, **AND SUCH PARTY AGREES TO INDEMNIFY AND HOLD THE OTHER PARTY HARMLESS FROM THE PAYMENT OF ANY SUCH FEES OR COMMISSIONS.**

53. Counterparts: This Lease may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

54. Governing Law and Venue: This Lease and all of the transactions contemplated herein shall be governed by and construed in accordance with the laws of the State of Texas, and with respect to any conflict of law provisions, the parties agree that such conflict of law provisions shall not affect the application of the law of Texas (without reference to its conflict of law provisions) to the governing, interpretation, validity and enforcement of this Agreement; and

Landlord and Tenant both irrevocably agree that venue for any dispute concerning this Lease or any of the transactions contemplated herein shall be in any court of competent jurisdiction in Dallas County, Texas.

55. No Recording: Tenant agrees that Tenant will not record this Lease in the real property records of Dallas County, Texas, without first securing the prior written consent of Landlord, which may be withheld at Landlord's sole discretion. However, Tenant agrees upon the written request of Landlord to execute, acknowledge and deliver to Landlord a short-form lease in recordable form.

56. Diagram: The diagram of the Airport attached hereto as **Exhibit C** merely evidences existing or contemplated improvements. By attaching such diagram as an exhibit to this Lease, Landlord is in no way contracting or bound to maintain or construct improvements exactly as shown thereon or prohibited from making additional or different improvements.

57. Time of Essence: Time is of the essence in the payment and performance of the duties and obligations imposed upon Tenant by the terms and conditions of this Lease.

58. Survival: All duties and obligations imposed upon Tenant by the terms and conditions of this Lease shall survive the termination or expiration of this Lease until paid or performed.

59. Special Conditions:

NO CARGO OR SIMILAR TYPE DELIVERIES ARE TO BE MADE VIA THE AIRPORT OPERATING AREA WITHOUT A QUALIFIED ESCORT ACCEPTABLE TO AIRPORT MANAGEMENT. FAILURE TO COMPLY WITH THIS PROVISION IS A DEFAULT OF THIS AGREEMENT PURSUANT TO PARAGRAPH 23 OF THIS AGREEMENT, EXCEPT THAT NO CURE OR REMEDY IS AVAILABLE TO TENANT AFTER A SECOND WRITTEN NOTICE IS DELIVERED BY LANDLORD TO TENANT PURSUANT TO PARAGRAPH 51 OF THIS AGREEMENT WITHIN ANY CONSECUTIVE TWELVE (12) MONTH PERIOD DURING THE TERM OR ANY EXTENSION THEREOF. FOR THE PURPOSES OF THIS PARAGRAPH, THE AIRPORT OPERATING AREA IS DEFINED AS THAT PORTION OF THE AIRPORT INSIDE WHAT IS GENERALLY REGARDED AS THE AIRPORT PERIMETER FENCE EXCLUDING THE LEASED PREMISES.

60. Entire Agreement and Amendments: This Lease, consisting of sixty (60) Paragraphs and Exhibits A through E attached hereto and made a part hereof, together with the premises to this Lease set forth above which are incorporated herein, and any other documents incorporated herein (including, without limitation, the Rules and Regulations), embodies the entire agreement between Landlord and Tenant and supersedes all prior agreements and understandings, whether written or oral, and all contemporaneous oral agreements and understandings relating to the subject matter hereof. Except as otherwise specifically provided herein, no agreement hereafter made shall be effective to change, modify, discharge or effect an abandonment of this Lease, in whole or in part, unless such agreement is in writing and signed by or on behalf of the party against whom enforcement of the change, modification, discharge or abandonment is sought.

EXECUTED as of the day, month and year first above written.

TENANT:	**LANDLORD:**
ADS SPORT AIRCRAFT, LLC a Texas limited liability company	**TOWN OF ADDISON, TEXAS** a home-ruled municipality
By: _____	By: _____ Lea Dunn, City Manager
Printed Name: Patrick Arnzen	
Title: Manager	

EXHIBIT A

Legal Description of Lease Premises

4700 AIRPORT PARKWAY
PROPERTY # R1-A

BEING a tract of land situated in the Edward Cook Survey, Abstract No. 326, Dallas County, Texas, and being a part of the Final Plat of Addison Airport, an addition to the Town of Addison, Texas, according to the plat thereof recorded in Volume 2005131, Page 82 of the Deed Records of Dallas County, Texas (DRDCT) and being more particularly described as follows;

BEGINNING at a cut 'x' found in concrete in the west line of Addison Airport Property No. 0110;

THENCE S 07°16'34" E, along the west line of said Property No. 0110, 98.77 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE S 81°58'42" W, 147.61 feet to a "PK" nail set with plastic cap stamped "Sparr Surveys";

THENCE S 07°58'34" E, 100.98 feet to a to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE S 81°51'05" W, 27.19 feet to a cut 'x' found at the northeast corner of a tract of land known as 4650 Airport Parkway;

THENCE S 68°54'08" W, along the north line of said 4650 Airport Parkway, 44.04 feet to a cut 'x' set in concrete;

THENCE N 25°19'38" W, departing the north line of said 4650 Airport Parkway, 28.16 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys" in the south line of Airport Parkway (60 foot wide unrecorded Ingress and Egress easement), and lying in a non tangent circular curve to the left having a radius of 130.00 feet;

THENCE northeasterly, along the south line of said Airport Parkway the following:

> Northeasterly, along said curve to the left, through a central angle of 11°18'40", an arc distance of 25.66 feet and having a chord which bears N 24°52'14" E, 25.62 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";
>
> N 19°12'55" E, 137.83 feet to a cut 'x' found at the point of curvature of a circular curve to the right having a radius of 70.00 feet;
>
> Northeasterly, along said curve to the right, through a central angle of 33°17'44", an arc distance of 40.68 feet and having a chord which bears N 35°51'46" E, 40.11 feet to a cut 'x' found at the point of reverse curvature of a non-tangent circular curve to the left having a radius of 248.00 feet;
>
> Northeasterly, along said curve to the left, through a central angle of 16°35'53", an arc distance of 71.84 feet and having a chord which bears N 44°30'08" E, 71.59 feet to a 'PK' nail set;

THENCE N 86°13'59" E, departing the south line of said Airport Parkway, 66.39 feet to a 5/8-inch iron rod set with plastic cap stamped "Sparr Surveys";

THENCE S 07°15'10" E, at 12.96 feet passing a 1/2-inch iron rod found at the northwest corner of said Property No. 0110, continuing along the west line of said Property No. 0110, in all a distance of 28.73 feet to the POINT of BEGINNING and CONTAINING 0.547 acre of land.

EXHIBIT B

Property Survey

The Premises is located at 4700 Airport Parkway, Addison, Texas 75001, also sometimes referred to as Building #013B within Addison Airport, Addison, Texas and further described as follows:

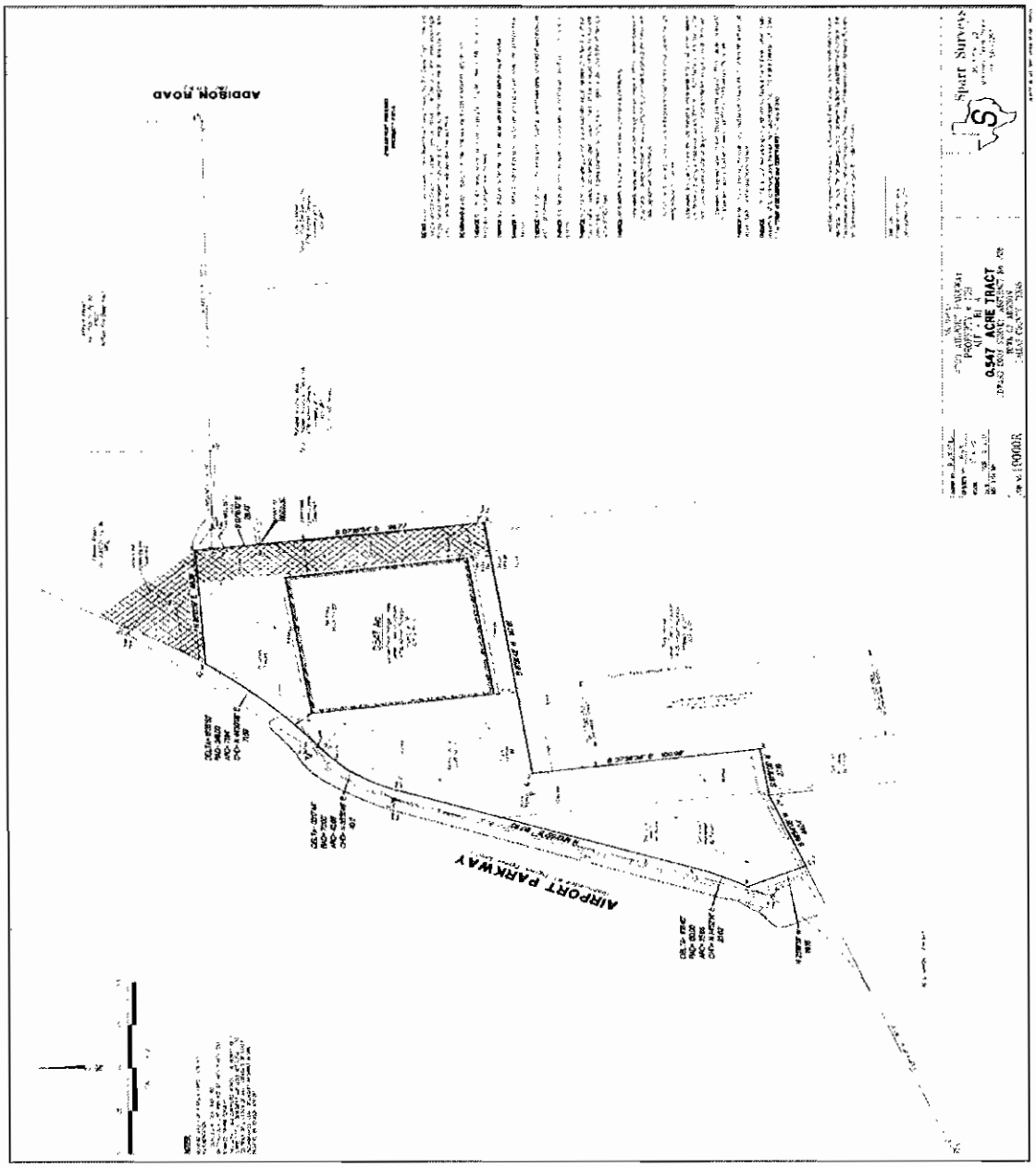


EXHIBIT C

Aerial View of Leased Premises

Below is a depiction of the proximity of the Leased Premises for informational purposes only and is not to be construed as accurate in area or dimension.

EXHIBIT D

Utility Expense Reimbursement Addendum

ADDENDUM TO THE CONVENTIONAL HANGAR LEASE AGREEMENT BETWEEN ADS US SPORT AIRCRAFT, LLC AND TOWN OF ADDISON CONCERNING THE LEASED PREMISES AT 4700 AIRPORT PARKWAY AT ADDISON AIRPORT, ADDISON, DALLAS COUNTY, TEXAS 75001

In addition to the Base Rent stated in the Lease, Tenant will pay Landlord as Additional Rent the following utility services described in this addendum. Tenant will pay the Additional Rent each month in arrears when or before the next Base Rent monthly installment is due:

- Electrical Services: Direct Energy ESI ID: 10443720008278366/Meter #043263156LG
- Water, Sewer and Storm Water: Town of Addison Account #288603/Meter #72111544

Each month Landlord shall assess Tenant for all direct utility costs for these utilities, including taxes, fees and other related costs billed and paid for by Landlord for the preceding billing cycle that exclusively serve the Premises. Landlord agrees to reasonably cooperate with Tenant in the event Tenant should desire to inquire, protest or appeal the charges being assessed by the utility service provider. To this end, and at Tenant's expense, Tenant shall give Landlord prior written notice of any such protest or appeal, and resolution thereof.

Landlord agrees not to assess any rebilling or administrative service fees for utility costs covered under this addendum. Tenant's failure to pay all Additional Rent as required by the Lease and/or this Addendum is considered an event of default pursuant to Section 23.A. of the Lease.

.

EXHIBIT E

4700 Airport Parkway, Addison Airport
Addison, Texas

Maintenance and Repair Responsibilities

	Landlord	Tenant	Comment
Ground Maintenance			
Building & Gate Locksmithing & Security		All as required by Tenant's use and all ordinances, rules and regulations. All doors and gates leading to Airport Operating Area are to be kept secured at all times.	
Fencing	Landlord maintains Airport Perimeter Fence, unless damaged by Tenant or its guests and invitees	All other, if any, is Tenant's responsibility.	
Landscaping & Lawn Care		All turf, beds and planters within the leased premises and outside Airport Perimeter Fence along Airport Parkway unless otherwise requested by Landlord.	
Landscape Irrigation		Minimum requirements by city ordinance	
Pavement - Parking	Structural repairs and reconstruction	Regular sweeping and snow removal. Any damage caused other than normal wear and tear. Painting and striping as required for intended use or required by ordinance with Landlord's prior	

	Landlord	Tenant	Comment
		written consent.	
Pavement - Ramp	Structural repairs and reconstruction	Regular sweeping and snow removal. Any damage caused other than normal wear and tear. Painting and striping as required for intended use, safe operations or as required by Landlord and with Landlord's prior written consent.	
Trash Dumpster	Landlord to approve location in advance.	To be provided at Tenant's sole cost and expense and kept within lease premises unless otherwise authorized in writing by Landlord	
Trash Dumpster screening, if required	Landlord to approve location, design and material used.	Constructed and maintained at Tenant's sole cost and expense.	
Building Shell			
Garage Overhead & Service Doors	Major repairs and replacement if required at sole discretion of Landlord	General preventive maintenance and basic service	
Hangar Doors	Major repairs and replacement if required at sole discretion of Landlord	General preventive maintenance and basic service	
Hangar Floor	Major repairs and replacement if required at sole discretion of Landlord	General preventive maintenance, sweeping, cleaning and safety markings as required.	
Building & Hangar Insulation, if existing	Major repairs and replacement if required at sole discretion of Landlord	General preventive maintenance, repair and replacement where required	

	Landlord	Tenant	Comment
Painting and cleaning of building exterior	Performed by Landlord at Landlord's sole expense and discretion	General preventive maintenance, repair and replacement where required	
Repairs to exterior siding, fascia, trim	Performed by Landlord at Landlord's sole expense and discretion	General preventive maintenance, repair and replacement where required	
Window and Glass Curtain Walls	Major repairs and replacement when required at sole discretion of Landlord	General preventive maintenance, repair and replacement where required	
Roof	Major repairs and replacement when required at sole discretion of Landlord	No penetrations without Landlord's prior written approval	
Interior - Finish-out			
Interior Doors	Major repairs and replacement when required at sole discretion of Landlord	General preventive maintenance, repair and replacement where required	
Office/shop space flooring and floor cover	Major repairs and replacement at sole discretion of Landlord	Major repair and replacement with Landlord's prior consent. General preventive maintenance, cleaning, repair and replacement where required	
Painting Interior		Repainting similar to existing condition. Major change in color, texture and material must be with Landlord's prior written consent. General preventive maintenance, cleaning, repair and replacement where required	
Wall & Ceilings	Major repairs and replacement at sole discretion of Landlord	Repainting or repairing similar to existing condition. Major change in color, texture and material must be with Landlord's prior written consent. General preventive maintenance,	

	Landlord	Tenant	Comment
		cleaning, repair and replacement where required	
Building Systems			
Air Compressor		Tenant's full responsibility	
Electrical Systems	Major repairs and replacement at sole discretion of Landlord	General maintenance and repair. Replacement or material change only with Landlord's prior written consent	
Exterior Lighting & maintenance	Major repairs and replacement at sole discretion of Landlord	General maintenance and repair. Replacement or material change only with Landlord's prior written consent	
Hangar light repair and replacement	Major repairs and replacement at sole discretion of Landlord	General maintenance and repair. Replacement or material change only with Landlord's prior written consent	
HVAC	Major repairs and replacement at sole discretion of Landlord	General maintenance and repair. Replacement or material change only with Landlord's prior written consent	
Window a/c units, if any	Major repairs and replacement at sole discretion of Landlord	General maintenance and repair. Replacement or material change only with Landlord's prior written consent	
Plumbing systems	Major repairs and replacement at sole discretion of Landlord	General maintenance and repair. Replacement or material change only with Landlord's prior written consent	

	Landlord	**Tenant**	**Comment**
Water heater	Replacement at Landlord's sole discretion	General maintenance and repair. Replacement with Landlord's prior written consent	
Storm water drains		Tenant's full responsibility	
Grease Traps		Tenant's full responsibility	
Tapping into Fire Main for fire suppression systems		Tenant's full responsibility with Landlord's prior written consent.	
Other:			
Other:			

AI-1103 **R2i**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: Communications & Marketing

Council Goals: Create raving fans of the Addison Experience.

AGENDA CAPTION:

Approval of a resolution approving an agreement with Shiroma Southwest for professional services to provide website content, website training to staff and social media content for Addison's social media sources.

BACKGROUND:

Shiroma Southwest has been the primary content provider for the new website. We would like for them to continue to populate the website with content for the remainder of the fiscal year. During this time they will develop and implement a training program to train staff on the use and functionality of the Content Management System. Once the training takes place and the staff is comfortable using the CMS each department will be responsible for updating content for their pages. In addition, Shiroma will handle all social media posts, analytics and monitor and track results. This is not a budgeted item, however, funding will come from cost savings in other areas.

RECOMMENDATION:

Administration recommends approval.

Fiscal Impact

Budgeted Yes/No: No

Funding Source: Hotel Fund-Marketing

Amount: 47,400

Attachments

Resolution

TOWN OF ADDISON, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS APPROVING A LETTER AGREEMENT BETWEEN TOWN OF ADDISON AND SOUTHWEST SPEAKERS BUREAU, INC. D.B.A. SHIROMA/SOUTHWEST FOR WEBSITE CONTENT MANAGEMENT AND SOCIAL MEDIA, AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT, AND PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

Section 1. The Letter Agreement between the Town of Addison and Southwest Speakers Bureau, Inc. D.B.A. Shiroma/Southwest for website content management and social media, a copy of which is attached to this Resolution as **Exhibit A,** is hereby approved. The City Manager is hereby authorized to execute the agreement.

Section 2. This Resolution shall take effect from and after its date of adoption.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the _____ day of _____, 2015.

_____
Todd Meier, Mayor

ATTEST:

By: _____
Chelsea Gonzalez, City Secretary

APPROVED AS TO FORM:

By: _____
Brenda N. McDonald, City Attorney

EXHIBIT A

shiroma | southwest

17311 North Dallas Parkway, Suite 110 Dallas, TX 75248 972-732-6100
mary@shiromasouthwest.com

April 20, 2015

LETTER OF AGREEMENT ("AGREEMENT") BETWEEN THE TOWN OF ADDISON, TEXAS ("TOWN") AND SOUTHWEST SPEAKERS BUREAU, INC., D.B.A. SHIROMA/SOUTHWEST, FOR WEBSITE CONTENT MANAGEMENT AND SOCIAL MEDIA
This Letter confirms the agreement between the Town and Southwest Speakers Bureau, Inc., d.b.a., Shiroma/Southwest (the agency) In consideration of the covenants and mutual agreements set forth herein, the parties agree as follows:

SERVICES:
Shiroma Southwest will develop and execute website content, content management, staff training and on-going website support for the Town's. Shiroma Southwest will execute social media management.

ESSENTIAL WEBSITE PROGRAM ELEMENTS ARE CURRENTLY DEFINED AS:

- See Town's new website to completion (estimate, 300 hours)
- Manage and execute website content on an ongoing basis; monitor and integrate departmentally submitted copy and coordinate all materials in a unified voice consistent with Town's branding and communication style (estimate, 75 hours)
- Train departmental designees to use the Content Management System to update departmental information and keep it timely (estimate, 40hours).

ESSENTIAL SOCIAL MEDIA PROGRAM ELEMENTS ARE DEFINED AS:

- Handle all social media posts, analytics; create on-going social media calendar; monitor, track and analyze results (estimate, 80 hours)

FEES: Not to exceed Forty-Six Thousand and Five Hundred Dollars and 00/100s ($46,500), based upon the following hourly rates:

Website completion, content, training, on-going support, $95/hour

Social media, $95/hour

Agency is prepared to provide additional service hours, as required and if requested by the City Manager's office.

EXPENSE REIMBURSEMENT:
Expenses will be billed monthly. Agency will provide the Town with a budget of anticipated charges. Town agrees to provide any necessary collateral pieces, if possible, to reduce the need for additional expenses. Expense reimbursement shall not exceed Nine Hundred Dollars and 00/100. Agency will be reimbursed for all expenses pertaining to the programs, which may include copies, long distance phone, faxes, postage, printing, messenger services, overnight

deliveries, press kit materials and assembly, photo reproduction, print and electronic clipping services, etc. All outside purchases are made only under the authorization of the Town and insomuch, the Town agrees to accept full responsibility for all obligations and holds the agency harmless from all liability and payment of such charges as ordered under the Town's authorization.

All amounts are due in Dallas, Dallas County, Texas. Balances that are more than sixty (60) days past due are subject to a finance charge of 1.33% per month (16% annually) or the current amount allowable by law.

This agreement is effective immediately upon signing and shall remain in effect through September 30, 2015.

DEFAULT
In the event of default, the non-defaulting party shall provide written notice to the defaulting party and grant the defaulting party a seven (7) day period to cure the default. In the event the default is not cured, the non-defaulting party may termination the Agreement and/or exercise any and all remedies available to it in law and in equity.

MISCELLANEOUS PROVISIONS

Entire Agreement.
The Agreement Documents contain the entire agreement of the parties with respect to the matters contained herein. All provisions of the Agreement Documents shall be strictly complied with and conformed to by the Agency, and no amendment to the Agreement Documents shall be made except upon the written agreement of the parties, which shall not be construed to release either party from any obligation of the Agreement Documents except as specifically provided for in such amendment.

Counterparts.
This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

Venue.
This Agreement shall be constructed under and in accordance with the laws of the State of Texas and venue shall be in Dallas County, Texas.

Binding Effect.
This Agreement shall be binding on and inure to the benefit of the Parties and their respective heirs, executors, administrators, legal representatives, successors, and assigns when permitted by this Agreement.

Ordinances.
Except as specifically provided in the Agreement Documents, the parties agree that Agency shall be subject to all Ordinances of the Town, whether now existing or in the future arising.

Authority to Execute.
The individuals executing this Agreement on behalf of the respective parties below represent to each other and to others that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement on the party for whom the individual is signing this Agreement and that each individual affixing his or her signature hereto is authorized to do so, and such authorization is valid and effective on the date

hereof.

Assignment.
This Agreement may not be assigned without the written agreement of both parties.

Sovereign Immunity.
The parties agree that the Town has not waived its sovereign immunity by entering into and performing its obligations under this Agreement.

Notice.
Any notice provided or permitted to be given under this Agreement must be in writing and may be served by depositing same in the United States mail, addressed to the party to be notified, postage pre-paid and registered or certified with return receipt requested, or by delivering the same in person to such party via a hand-delivery service, Federal Express or any courier service that provides a return receipt showing the date of actual delivery of same, to the addressee thereof. Notice given in accordance herewith shall be effective upon receipt at the address of the addressee. For purposes of notification, the addresses of the parties shall be as follows:

If to Agency, to:	Shiroma
If to Town, to:	Town of Addison Attn: Town Manager 5300 Belt Line Road Dallas, Texas 75254

Severability.
In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

Representations.
Each signatory represents this Agreement has been read by the party for which this Agreement is executed and that such party has had an opportunity to confer with its legal counsel.

Force Majeure.
If the performance of any covenant or obligation to be performed hereunder by any party is delayed as a result of circumstances which are beyond the reasonable control of such party (which circumstances may include, without limitation, pending litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions [such as, by way of illustration and not of limitation, severe rain storms or below freezing temperatures, or tornados] labor action, strikes or similar acts, moratoriums or regulations or actions by governmental authorities), the time for such performance shall be extended by the amount of time of such delay, but no longer than the amount of time reasonably occasioned by the delay. The party claiming delay of performance as a result of any of the foregoing "force majeure" events shall deliver written notice of the commencement of any such delay resulting from such "force majeure" event not later than seven (7) days after the claiming party becomes aware of the same, and if the claiming party fails to so notify the other party of the occurrence of a "force majeure" event causing such delay and the other party shall not otherwise be aware of such "force majeure" event, the claiming party shall not be entitled to avail itself of the provisions for the extension of performance contained in this subsection.

Miscellaneous Drafting Provisions.
This Agreement shall be deemed drafted equally by all parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any party shall not apply. Headings in this Agreement are for the convenience of the parties and are not intended to be used in construing this document.

FOR: TOWN OF ADDISON	**FOR: SOUTHWEST SPEAKERS BUREAU, INC. D.B.A. SHIROMA/SOUTHWEST**
BY: _____	**BY:** _____
ITS: _____	**ITS:** _____
DATE: _____	**DATE:** _____

AI-1141 **R2j**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: Council

Council Goals: Create raving fans of the Addison Experience.

AGENDA CAPTION:

Approval of a resolution adopting the Naming and Recognition Policy for structures, parks and trails.

BACKGROUND:

The Council had a desire to review the Addison Naming Policy adopted by resolution in September of 2007. On April 14th a Council Work Session was held to discuss the existing Naming Policy and possible changes that the Council would like to make. At this meeting Council decided to remove the City Manager from the naming possibilities for parks, trails and structures. There was also discussion around what the mechanism may be for recognizing those who contribute to Addison that do not fit in the first category. A public hearing was held on April 28th to solicit input from the public, four speakers expressed their thoughts. Staff revised the Policy to remove a City Manager from the naming possibilities for parks, trails and structures, added $1 million as the minimum qualification for the naming a park, trail or structure, added a dog park component and added a naming procedure. Through additional Council discussion it was determined that a provision was needed to remove a name if that name reflects negatively on Addison, which has been added. Staff also included a section that points people who would like to have other naming opportunities to the Addison Legacy Foundation and the Addison Arbor Foundation.

RECOMMENDATION:

Administration recommends approval.

Attachments

Resolution

TOWN OF ADDISON, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS REPEALING RESOLUTION NO. R07-019 AND APPROVING A NAMING AND RECOGNITION POLICY FOR CITY OWNED STRUCTURES, TRAILS AND PARKS, AND PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:

Section 1. Resolution No. R07-019 is hereby repealed.

Section 2. The Naming and Recognition Policy, a copy of which is attached to this Resolution as **Exhibit A,** is hereby approved.

Section 3. This Resolution shall take effect from and after its date of adoption.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this the _____ day of _____, 2015.

_____
Todd Meier, Mayor

ATTEST:

By: _____
Chelsea Gonzalez, City Secretary

APPROVED AS TO FORM:

By: _____
Brenda N. McDonald, City Attorney

EXHIBIT A

Addison Naming
And
Recognition Policy

PURPOSE:

To establish a naming, renaming and recognition policy for Addison in order to establish guidelines for the City Council and staff to follow to reflect Addison's mission. This policy will address city owned structures, trails and parks. In addition, this policy will outline how Addison may recognize individuals, groups or corporations that contributed in a significant manner to the community.

NAMING CRITERIA-CITY OWNED STRUCTURES, TRAILS AND PARKS:

1) Definitions
   a) A structure would include buildings, bridges or structures within a park
   b) Trails would be any trail within Addison maintained by the Parks Department
   c) A park would be any area designated as a park including dog parks that are maintained by the Parks Department
2) Criteria to name a structure, trail or park
   a) Naming a structure trail or park could be named after an individual or corporation if they met one of the following criteria
      i) The individual was a former Mayor and had made a significant contribution of service toward the betterment of the Addison community and had been out of office for a minimum of 5 years.
      ii) Individuals or corporations who donate at a minimum of $1,000,000.00 in land, services or funds to Addison.
      iii) Dog parks may be named for an individual or corporation with a minimum donated amount of $250,000.

CONTRIBIUTIONS FROM INDIVIDUALS AND CORPORATIONS:

1) Create a mechanism to recognize individual and corporation contributions that do not meet the above criteria.
   a) Develop a creative way to recognize contributions to Addison at a variety of levels of donation or service including volunteers and past employees. Examples may be:
      i) Naming sculpture
      ii) Brick path
      iii) Recognition wall
   b) Based on their contribution or service level they would be recognized by placing their name on the recognition mechanism.

c) The size and location of the recognition may vary based on the amount donated, or service contribution made.

NAMING PROCEDURE

1) Naming of a structure, trail or park

a) Former Mayor--A proposal shall be submitted detailing the qualifications including clearly outlining examples of the contributions of service made to the community. The proposal may include both the name as it is requested to appear on the structure, park or trail along with a suggestion as to the where that name would be located.

b) **Donation—**A proposal shall be submitted detailing the amount of the donation along with the proposed name as it would appear on the structure, park or trail. The proposal shall also include suggestions on where that name should appear.

i) The Proposal shall be submitted to the City Manager or his/her designee.

ii) City staff will review the proposal and, if complete, add the proposal to the Council Agenda for consideration.

iii) A public hearing shall be held to give the opportunity for public comment.

iv) A majority vote of the Council is required to approve the naming of a structure, park or trail.

2) Recognition for contributions from individuals and corporations not meeting the criteria outlined in section b.

a) An individual or corporation making a donation in land, service, funds, community service or an employee with at least 20 years of employment by Addison will be recognized through a publicly displayed mechanism.

b) Proposed names shall be submitted to the City Manager or his/her designee along with a supporting documentation of their contribution to Addison.

c) City staff shall review the proposals and, if complete, add the proposal to the Council Agenda for consideration.

d) A majority of the Council shall vote in favor of accepting this recognition.

REMOVAL OF A NAME

1) In the event the name of a structure, trail or park has previously been granted and the name later casts a negative image on Addison, the name may be removed at the discretion of the Council.

OTHER NAMING OPPORTUNITIES

1) Other naming opportunities are available through Addison related organizations such as the Addison Legacy Foundation and Addison Arbor Foundation.

AI-1145 **R3**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: City Manager

Council Goals: Enhance sense of community for all stakeholders/Expand Volunteer Opportunities

---

AGENDA CAPTION:

PUBLIC HEARING. Public hearing regarding the process and criteria for selecting a person to serve as the new City Manager.

BACKGROUND:

The public is invited to provide feedback to help identify criteria for the selection of the next city manager.

RECOMMENDATION:

N/A

AI-1146 **R4**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: City Manager

Council Goals: N/A

AGENDA CAPTION:

Presentation and discussion regarding an update on the search for the new city manager.

BACKGROUND:

The City Council will discuss any updates regarding the search for the new city manager.

RECOMMENDATION:

N/A

AI-1152 **R5**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: Infrastructure- Development Services

Council Goals: Infrastructure improvement and maintenance
Implement bond propositions

AGENDA CAPTION:

Presentation and discussion regarding the Quarterly Update for the Capital Improvement Program and other Town projects.

BACKGROUND:

Staff will provide an update on the various capital improvement projects.

RECOMMENDATION:

N/A

Attachments

CIP Update May 2015

ADDISON

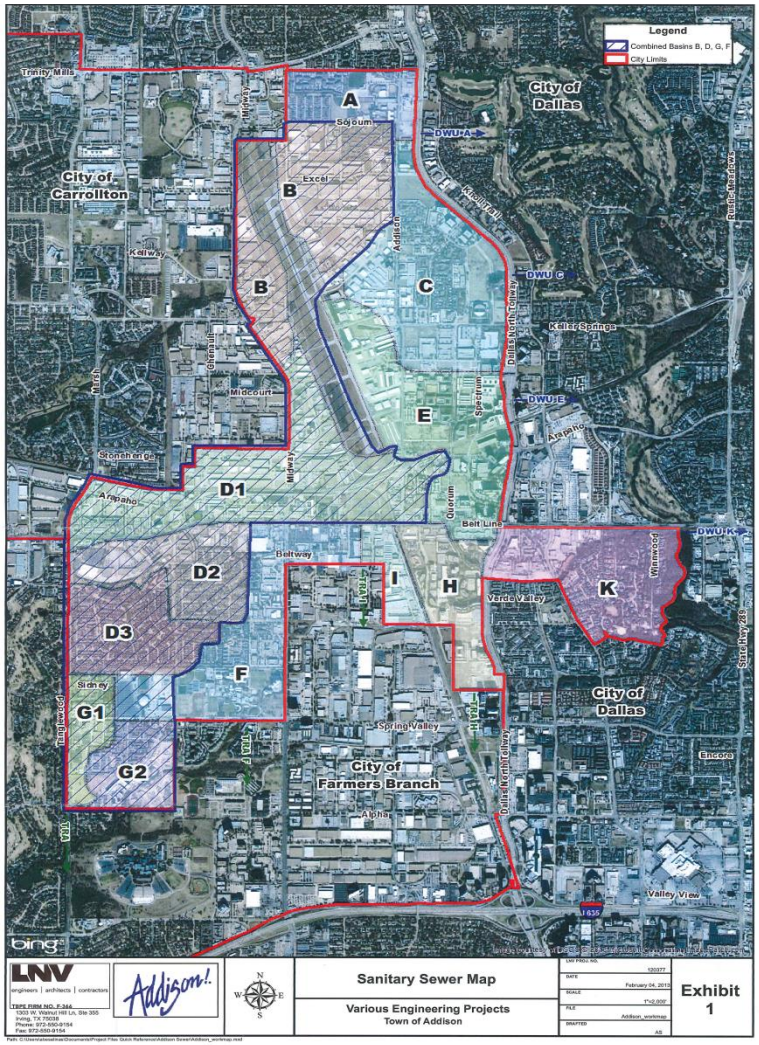
IT ALL COMES TOGETHER

SM

Capital Projects Update

May 26, 2015

Wastewater System Evaluation and Assessment



- System evaluation survey – existing conditions, CIP
- Temp flow meters used to determine if Inflow or Infiltration exists
  - Good rain events during test
- December 2015 estimated completion date
  - Contract amount: $890,595.50
  - Year 3 budget: $445,298
    - To date: $3,134.45
    - Remaining: $442,163.55

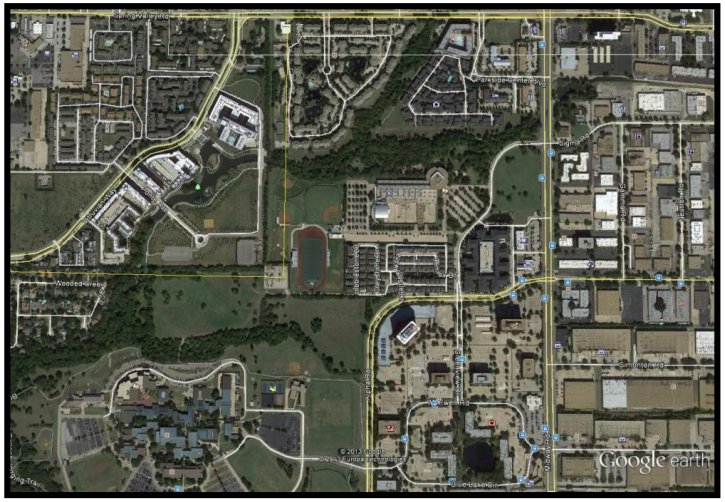
Belt Line Road – Utilities Conversion

Marsh Lane to Midway

- Construction began November 10, 2014
- Primary duct bank in segment 1 is complete
- Traffic control has been moved to begin segment 2
- Continue restoration in median cut
- Property Acquisition – 31 parcels
  - 3 have closed
  - Remainder in various stages – documents to be signed or waiting to be paid
- Expected completion late 2016
- Budget: $17,133,134
- To Date: $2,974,151

Bella Lane Extension to Alpha Road

- Design project on hold
- Waiting on Farmers Branch Planning and Zoning approval – Applicant is Brookhaven College
- Will require an Interlocal agreement between Farmers Branch, Brookhaven College, and Addison
- Budget: $1,775,597
  - Design: $301,000
  - Spent to date: $99,274.76
  - Remaining: $201,725.24



Water System Assessment & Evaluation

- Scope:
  - Assessing existing system
  - Development of CIP
  - O&M procedures
- Completed GIS portion
- Water modeling on-going, QA/QC
- Budget: $386,500
  - To date: $208,624.19
  - Remaining:$177,875.81

Pond Improvements

Les Lacs Pond:

- Recommended Actions:
  - Rehab of water well
  - Re-piping discharge
  - Enhanced landscaping
- Improvements in fall to avoid disruption during summer season

Winnwood Pond:

- Results:
  - Significant silting
  - Contamination requires specialized hauling
  - Bid posting only yielded one bid; significantly higher than estimated
- Recommended Actions:
  - Rebid project in Spring 2016

- Initial Design budget - $147,496
  - To date: $147,496
  - Remaining: $0.00
  - Design complete

Addison Circle EST Rehabilitation

- Removal and replacement of coating system: internal and external, various structural improvements
- 90% complete
- Installation of fill valve 5/18
- Roof finishes
- Weather – ice, rain, and wind affected schedule
- Estimated completion mid-June
- Contract amount:
  - $1,274,007.77
- To date:
  - $621,060.57
- Remaining:
  - $652,947.20

Midway Road Street Reconstruction

- $16 million bonds approved by voters
- October 15, 2014 design began
- 30% submittal due late-June

- CH2M Hill project management Cost: $543,816
- Spent to date: $80,142.86
- Remaining: $463,673.14

- TNP design contract amount: $1,998,859
- Spent to date: $448,124.31
- Remaining: $1,550,734.70

Addison Road Rehabilitation Project

- Railroad tracks north to city limits – 2 miles
- Full depth repair in places
- Overlay and micro-surfacing entire length
- Bids due June 3rd
- Award anticipated June 9th

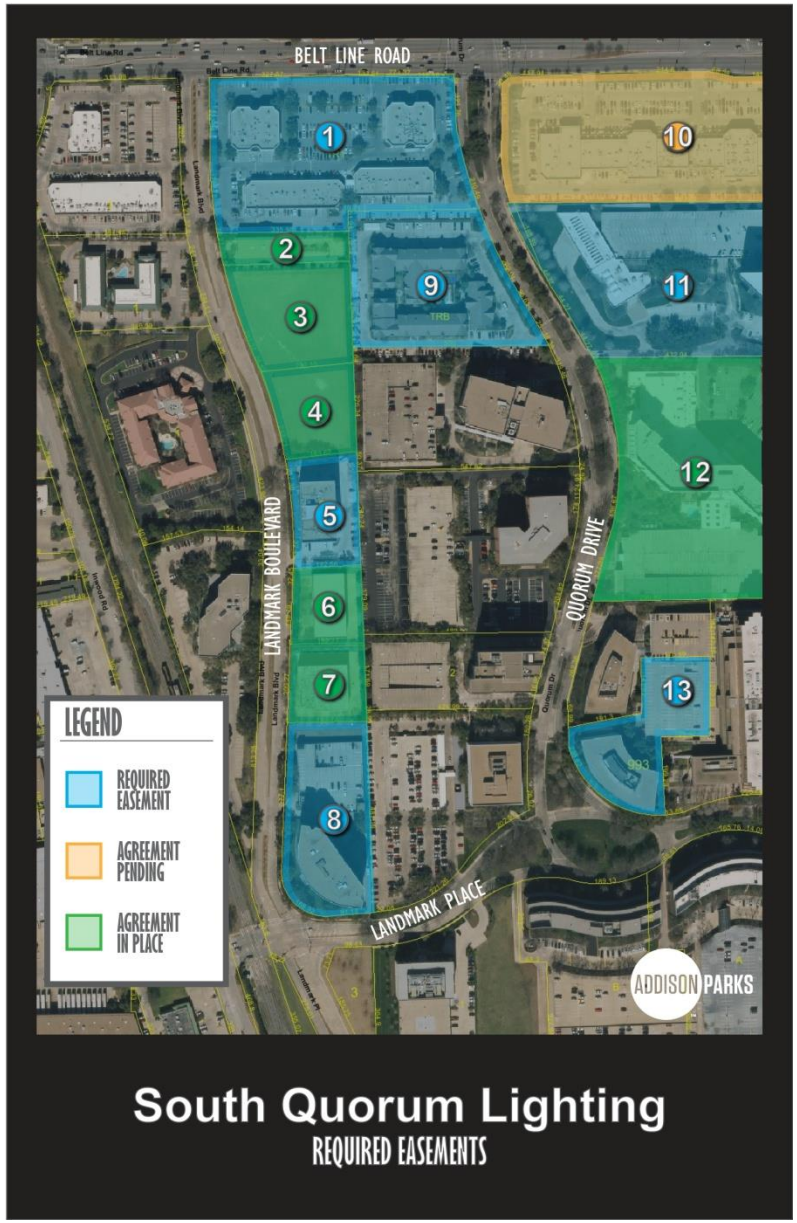
- Design contract amount: $108,602
  - Spent to date: $91,028.81
  - Remaining: $17,573.91

Airport Master Plan Update

- Long-term capital financial plan in process
- Development alternatives based on lease expirations
- Determine capital funding shortfalls
- Match available capital funding with planned capital expenditures
- Next committee meeting late-June

- Contract amount $239,000
  - To date: $189,515
  - Remaining: $49,485
- Administered by TxDOT Aviation

Pedestrian Connectivity Project

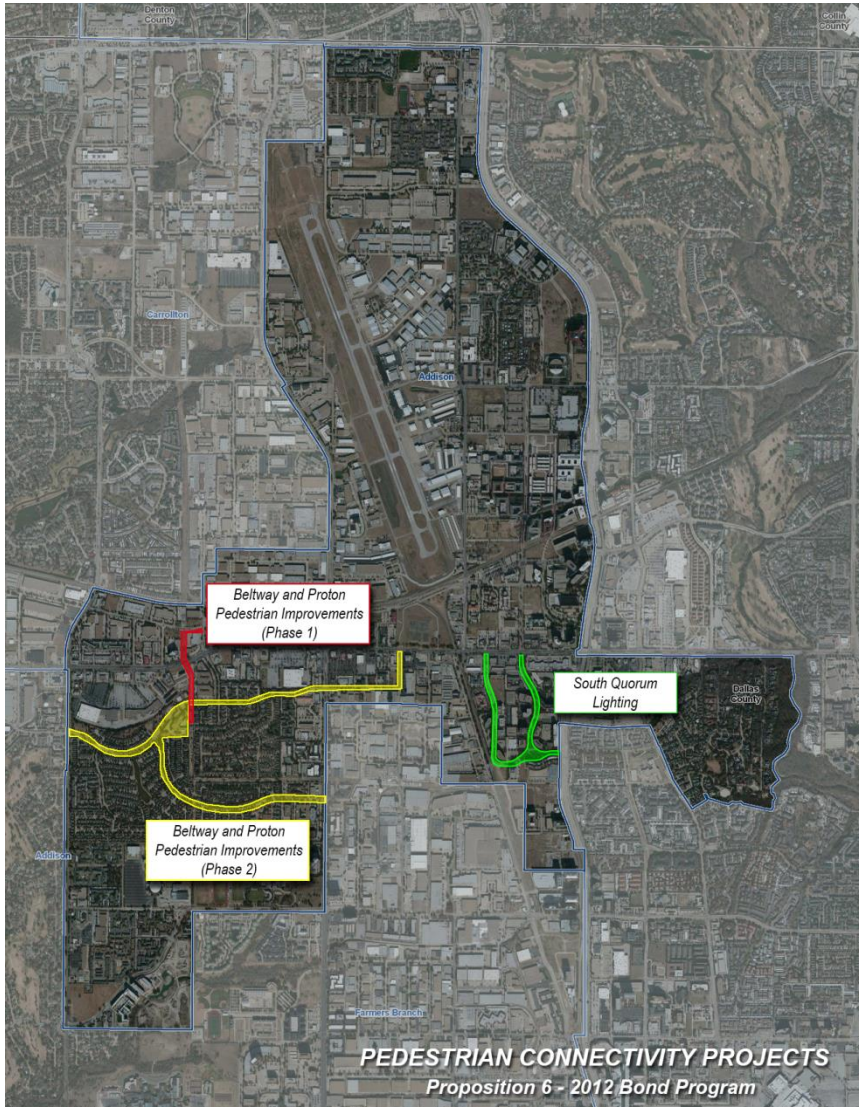


- **South Quorum Lighting**
  - Easement Acquisition
    - 13 easements are required
    - 6 easements are in place
    - 1 easement is pending
  - **Estimated Project Cost is $910,000.**

TalleyAssociates

Pedestrian Connectivity Project

Beltway/Proton



- **Phase 1 – Trail extension from Fire Station 2 to Arapaho Road: Completed**
  - Total cost: $269,186.79
- **Phase 2 –Beltway and Proton Pedestrian Connectivity Project**
  - The project will be brought to Council on June 9th
  - Estimated project cost is $2,220,000.

Dog Park Feasibility Study

Town Park

- Study completed by TBG landscape architects
- Dog Park Committee and Town staff will present recommendations to Council
- Project cost: $20,000

Vitruvian Amphitheater
Reconfiguration

- **The goal of the project is to improve:**
  - Accessibility
  - Seating Capacity
  - Lighting
- **Construction to be completed in May 2015**
- **Project is funded in the FY2015 Parks Capital Improvement Projects Fund**
  - Project budget is $396,783.05.

Addison Athletic Club – Master Plan

The Master Plan Committee and Town of Addison Staff will present recommendations to Council on June 9th.

Questions?

AI-1144 **R6**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: City Manager

Council Goals: Continue to attract, hire, develop, and retain great employees

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AGENDA CAPTION:

Discussion regarding the city secretary's position.

BACKGROUND:

Discussion regarding creating a full time position for the city secretary. Historically, the city secretary's position has been a position shared with the city manager's office. However, this is a Council appointment and staff is in the process of developing a job description.

RECOMMENDATION:

N/A

AI-1139 **R7**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: Council

Council Goals: N/A

AGENDA CAPTION:

Discuss, consider and take action electing the Mayor Pro Tempore and Deputy Mayor Pro Tempore.

BACKGROUND:

The Council shall elect from among the Council members a (i) Mayor Pro Tempore who shall perform the duties of Mayor in case of the absence or disability of the Mayor, and (ii) a Deputy Mayor Pro Tempore who shall serve as Mayor Pro Tempore in the absence or disability of the Mayor Pro Tempore.

RECOMMENDATION:

N/A

AI-1149 **R8**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: Infrastructure- Development Services

Council Goals: N/A

AGENDA CAPTION:

Discuss, consider and take action regarding an appointment to the Board of Zoning Adjustment.

BACKGROUND:

Troy Cooper's first term on the Board of Zoning Adjustment expires on May 28th. This appointment belongs to Council Member Moore.

RECOMMENDATION:

N/A

AI-1104 **R9**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: Infrastructure- Development Services

Council Goals: N/A

AGENDA CAPTION:

Discuss, consider and take action regarding appointment of a Member to the Planning and Zoning Commission.

BACKGROUND:

Commissioner Kathryn Wheeler's third term on the Planning and Zoning Commission expired on April 9, 2015. This appointment belongs to Council Member Arfsten.

RECOMMENDATION:

N/A

AI-1153 **R10**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: Council

Council Goals: N/A

AGENDA CAPTION:

Discuss, consider and take action regarding additional Addison Funding contributions to the Cotton Belt commuter rail project.

BACKGROUND:

N/A

RECOMMENDATION:

N/A

AI-1155 **ES1**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: City Manager

Council Goals: N/A

AGENDA CAPTION:

Closed (executive) session of the Addison City Council pursuant to Section 551.071, Tex. Gov. Code, to seek the advice of its attorney(s) regarding pending litigation: Town of Addison, Texas v. ProAir Developments, L.P., Cause No. DC-13-15164, 14th Judicial District, Dallas County, Texas and anticipated litigation, Hunse v. Town of Addison, et. al, and anticipated litigation regarding use of newsletter email distribution list.

BACKGROUND:

N/A

RECOMMENDATION:

N/A

AI-1148 **R11**

Work Session and Regular Meeting

Meeting Date: 05/26/2015

Department: City Manager

Council Goals: N/A

AGENDA CAPTION:

RECONVENE INTO REGULAR SESSION: In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to consider action, if any, on matters discussed in Executive Session.

BACKGROUND:

N/A

RECOMMENDATION:

N/A